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DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1984

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Mr. STEVENS, from the Committee on Appropriations, submitted the following

REPORT

[To accompany S. 2039]

The Committee on Appropriations reports th bill (S. 2039) making appropriations for the Department of Defense fc the fiscal year ending September 30, 1984, and for other purposes, anc submits the following explanation of its recommendations. Information is herewith presented relative to changes in the budget estimates and House allowances:

NEW OBLIGATIONAL AUTHORITY

Total of bill as reported to Senate	$251,688,037,000
Amount of 1984 budget estimate	260,926,119,000
Amount of the House allowance	[1] 246,316,791,000
Amount of 1983 appropriations	232,073,331,000
The bill as reported to the Senate:	
Below the fiscal year 1984 budget estimate	9,238,082,000
Above the House allowance	5,371,246,000
Over appropriations for fiscal year 1983	19,614,706,000

[1] H.R. 4185 as reported by the House Committee on Appropriations on October 20, 1983.

S/83-21

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BACKGROUND

Purpose of the Bill

The purpose of this bill is to make appropriations for the military functions of the Department of Defense for the period October 1, 1983 through September 30, 1984. Functional areas include the pay, allowances and support of military personnel, operation and maintenance of the forces, procurement of equipment and systems, and research, development, test and evaluation. Appropriations for military assistance, military construction, family housing, certain nuclear weapons, and civil defense are provided in other bills.

Hearings

The Subcommittee on Department of Defense Appropriations began hearings on the fiscal year 1984 budget request on February 23, 1983, and concluded them on September 14, 1983, after 17 separate sessions. The subcommittee heard testimony from representatives of the Department of Defense, other Federal agencies, and from the general public. Approximately 5,300 pages of transcript were taken, the unclassified portions of which constitute the four-volume public record of testimony on this budget request.

Summary of Bill

The Committee considered a total fiscal year 1984 budget request of $260,926,119,000 for the military functions of the Department of Defense, excluding military assistance, military construction, family housing and civil defense. The following table displays the major recommendations:

	Fiscal year 1983 enacted	Fiscal year 1984 request	House allowance	Committee recommendation
Title I—Military personnel	$45,066,808,000	$47,997,800,000	$47,396,850,000	$48,602,835,000
Title II—Retired military personnel	16,154,800,000	16,772,800,000	16,592,600,000	16,592,600,000
Title III—Operation and maintenance	67,285,510,000	74,972,674,000	71,313,366,000	73,728,053,000
Title IV—Procurement	80,749,473,000	92,594,655,000	84,441,827,000	85,890,512,000
(Transfer from other accounts)	(423,163,000)		(709,600,000)	(839,100,000)
Title V—Research, development, test, and evaluation	22,705,784,000	28,498,840,000	26,465,715,000	26,766,247,000
Title VI—Special foreign currency program	3,800,000	3,050,000	3,050,000	3,050,000
Title VII—General provisions (additional transfer authority, sec. 733)	(1,700,000,000)	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)

	Fiscal year 1983 enacted	Fiscal year 1984 request	House allowance	Committee recommendation
Title VIII—Related agencies	$107,156,000	$86,300,000	$103,383,000	$104,740,000
Total, Department of Defense (NOA)	232,073,331,000	260,926,119,000	246,316,791,000	251,688,037,000
(Transfer from other accounts)	(423,163,000)		(709,600,000)	(839,100,000)
Total funding available	232,496,494,000	260,926,119,000	247,026,391,000	252,527,137,000
(Transfer authority)	(1,700,000,000)	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)
Distribution by organizational component:				
Army	55,306,736,000	62,063,581,000	58,539,746,000	59,974,586,000
(Transfer from other accounts)	(198,200,000)		(143,600,000)	(144,200,000)
Navy	80,207,994,000	83,663,771,000	78,085,192,000	79,962,963,000
(Transfer from other accounts)	(35,000,000)		(218,000,000)	(227,600,000)
Air Force	71,490,462,000	86,983,954,000	82,236,500,000	83,677,708,000
(Transfer from other accounts)	(189,963,000)		(348,000,000)	(372,000,000)
Defense agencies/OSD	9,067,183,000	11,355,713,000	10,634,370,000	10,599,440,000
Reserve and National Guard procurement	125,000,000		125,000,000	176,000,000
Retired military personnel	16,154,800,000	16,772,800,000	16,592,600,000	16,592,600,000
Related agencies	107,156,000	86,300,000	103,383,000	104,740,000
General reduction	-386,000,000			
Total, Department of Defense (NOA)	232,073,331,000	260,926,119,000	246,316,791,000	251,688,037,000
(Transfer from other accounts)	(423,163,000)		(709,600,000)	(839,100,000)
Total funding available	232,496,494,000	260,926,119,000	247,026,391,000	252,527,137,000
(Transfer authority)	(1,700,000,000)	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)

BILL HIGHLIGHTS

Despite continuing, steady improvement in America's economic health, the inexorable growth of the Federal budget deficit has sharply increased pressures to curb Federal spending. This, in turn, has led both the administration and Congress into an agonizing reappraisal of the biggest single block of controllable appropriations—those contained in the Defense budget.

Three years ago the President proposed, and the Congress endorsed, a vitally needed 5-year approach to overcome a decade of military neglect with a broad-based program to modernize the Armed Forces and to restore their readiness. This program was based on an average real spending growth of 7.5 percent, but economic pressures, conflicting priorities, and the equally urgent need to reduce the Federal debt began to erode that goal almost from the start.

Although Congress appropriated almost $240,000,000,000 for defense in the current 1983 fiscal year, this in itself was more than $18,000,000,000 below the President's original budget proposal and permitted defense less than 26 percent of the total Federal budget.

Nonetheless, the administration cut back sharply on its own defense spending estimates before submitting a fiscal year 1984 budget last January that contained some $274,000,000,000 in new budget authority and a projected real growth of 10 percent. Subsequently, in response to congressional demands for more savings, the President amended his submission, based mainly on increasingly favorable inflation rates. The new

total for defense function spending was $268,500,000,000, with real growth pared to little more than 8 percent. Congress, meanwhile, adopted a fiscal year 1984 budget resolution targeting defense funding still lower, at $261,500,000,000. With an unbudgeted military and civilian pay raise figured in, this lowered real growth to less than 4.5 percent. Subsequently, following enactment of a defense authorization bill with slightly higher spending ceilings, the House Appropriations Committee reported a defense bill that, combined with other military appropriations measures, would provide less than $253,000,000,000, or a real growth of little more than 2 percent.

Against this backdrop, the Committee was again faced with conflicting but urgent requirements to hold down defense spending while supporting the continuing need to expand and modernize the armed services and strengthen the Nation's defense capabilities. With few exceptions, the Committee believes it has attained both difficult goals. Recommended funding levels in the accompanying bill are well within targeted spending limits and most significant modernization and readiness initiatives established by the President have been supported.

Military manpower.—Taking the lead established by Congress with the defense authorization bill, the Committee has recommended limiting the steady growth of military manpower. It has accepted authorized reductions to effect a 28,800 troop reduction below the President's budget levels, allowing Armed Forces personnel a growth of 8,500 above the 1983 end strengths. The Committee has also accepted the authorization ceiling which halts the steady increase in U.S. forces stationed in Europe, leveling the commitment at the level maintained in 1983, itself a substantial expansion of the NATO contribution generally accepted by the Congress in the 1970's. The challenge to the Committee has been to limit the continued growth in military personnel expenditures without causing reversals in the recent successes in retention. This was particularly difficult due to the Committee's decision to provide funding for a 4-percent pay raise for military personnel. These specific recommendations, which are $605,035,000 above the budget request, are discussed in detail in the title I section of the report.

Readiness.—Efforts begun 3 years ago to strengthen the readiness of the Armed Forces are continued in fiscal year 1984 with a recommended funding increase of nearly $5,000,000,000 for operations and maintenance, up 9.1 percent. Concurrently, the Committee has recommended substantial savings in the budget estimates of more than $1,300,000,000. Favorable authorized reductions, the growing strength of the dollar abroad, and other adjustments permit substantial savings and unbudgeted pay raise financing.

Modernization.—Although it has recommended a substantial increase in the Nation's investment in weapons systems and military equipment, the Committee has still managed to achieve nearly $6,700,000,000 in budget authority reductions from budgeted procurement levels. Immediate outlay savings will be relatively slight—less than $1,000,000,000 in fiscal year 1984—but substantial spending cutbacks will be achieved in future spendout rates.

Major acquisitions financed under the Committee recommendations include:

—Three guided missile cruisers, three nuclear attack submarines, one Trident ballistic missile submarine, and one guided missile frigate.

—Expanded production of the Army's AH–64 attack helicopter and Patriot air defense system and sustained economic production of the Black Hawk utility helicopter, multiple launch rocket system M–1 tank, and M–2/3 Bradley fighting vehicle.

—Increased production of strategic, tactical, and military airlift aircraft, up nearly 20 percent.

—Initial production of 21 MX Peacekeeper missiles, expanded acquisition of 95 Pershing II inter-theater ballistic missiles, and sustained production of 120 ground launched cruise missiles.

—More than $1,000,000,000 additional for Reserve and National Guard equipment.

—Modernization of Coast Guard vessels, aircraft, and equipment with an added $300,000,000.

Research and development.—Carefully developed reductions, designed to restrain, but not halt, program growth have been recommended for research and development. This is an activity the Committee regards as a critical investment in future national security, and required spending cutbacks have been allocated to minimize program impact. Some $1,730,000,000 in budget authority reductions will develop $1,000,000,000 in outlay savings during fiscal year 1984, but real program growth of 13 percent has been preserved. This is far above last year's recommended 9 percent real expansion. Key programs, including ballistic missile defenses, advanced tactical ships and aircraft, and space technology have been funded at the full authorization. Continued development of the MX strategic missile and its basing requirements are provided $2,034,000,000, together with $584,000,000 to initiate the small ICBM program, an essential part of the Scowcroft Commission proposals for strategic forces modernization. The Committee also consolidated JVX tilt-rotor aircraft development in the Navy with $88,600,000 to continue development.

Timing of the Bill

For the third straight year, the Committee has been compelled to report a defense appropriations bill in advance of customary lead action by the House of Representatives. A combination of circumstances, not the least of which was protracted congressional action on the fiscal year 1984 budget resolution and Defense authorization bill, served to delay the House Appropriations Committee markup schedule. With the approach of the November 10, 1983, deadline on the first continuing resolution for fiscal year 1984, the Committee elected to mark up and report an original Senate bill to speed the appropriations process.

It is not the Committee's intent to overturn the traditions of Congress that have established the House as the normal originating body for appropriations measures. Nor is it the Committee's desire to reverse the

roles of the two Houses in continuing action on the fiscal 1984 defense bill.

With House action incomplete on a Defense appropriations measure, the Committee has listed House allowances based on H.R. 4185 as reported by the House Appropriations Committee on October 20, 1983. These allowances, of course, are subject to change as the bill is taken up on the House floor.

Specific procedures have not been developed and the exact sequence of action on appropriations bills remains uncertain at this writing. However, the Committee would expect that, at some juncture, the provisions of the Senate bill, where they might differ with those of a House-passed bill, would again be incorporated as Senate amendments to the House-passed measure. This is what occurred last year, and the Committee sees no reason why the process cannot be adopted at some point in the enactment of the 1984 bill.

Relationship to Authorization

Appropriations for the procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and equipment, operations and maintenance expenses, and for research, development test and evaluation require annual authorization pursuant to the provisions of section 412(b) of Public Law 86–149, as amended.

As previously noted, the total fiscal year 1984 budget request considered by the Committee was $260,926,119,000. Of this amount, $196,069,219,000, or 75 percent, required authorization. The following table depicts these amounts and compares them with levels authorized in the Department of Defense Appropriation Authorization Act, 1984.

[In thousands of dollars]

	Budget estimate	Authorization	Change
Procurement	92,594,700	88,259,900	-4,334,800
RDT&E	28,498,800	27,299,900	-1,199,000
Operations and maintenance	74,972,700	71,758,800	-3,213,900
Special foreign currency program	3,050	3,050	
Total	196,069,200	187,321,600	-8,747,600

Compliance With Section 308 of the Budget Control Act

Section 308(a) of the Budget Control Act (Public Law 93–344) requires that this Committee include in its report specific budgetary information on the status of recommended appropriations relative to the first concurrent resolution. The following table provides these data:

BUDGETARY IMPACT OF BILL

PREPARED BY THE CONGRESSIONAL BUDGET OFFICE PURSUANT TO SEC. 308(a), PUBLIC LAW 93-344

[In millions of dollars]

	Budget authority		Outlays	
	Committee allocation	Amount in bill	Committee allocation	Amount in bill
Comparison of amounts in the bill with the Committee allocation to its subcommittees of amounts in the First Concurrent Resolution for 1984: Subcommittee on Defense	254,200	[1] 251,760	227,900	[2] 227,135
Projections of outlays associated with budget authority recommended in the bill:				
1984				[3] 149,465
1985				53,796
1986				26,167
1987				9,664
1988 and future year				12,538
Financial assistance to State and local governments for 1984 in the bill		N/A		N/A

[1] Including previously enacted items.
[2] Includes outlays from prior-year budget authority.
[3] Excludes outlays from prior-year budget authority.
N/A: Not applicable.

CONGRESSIONAL BUDGET TARGETS

The Committee has honored the specific spending targets established through the congressional budget process and allocated to the Defense Subcommittee through section 302(b)b procedures. These allocations by the Committee are detailed in Senate Report 98-178.

Total budget authority recommended in the bill, $251,688,037,000, is well within the allocated ceiling, even considering all known future requirements for the balance of the fiscal year. Total outlays projected from that budget authority level, however, are hard against the Committee's defense ceiling when supplemental appropriation needs are included. The reported bill itself carries an estimated $227,135,000,000 in outlays. Clearly, there is little fiscal room to spare. Any unforeseen requirements would jeopardize the outlay limitations and require adjustments either in the current spending targets or in the program funding established by the accompanying bill.

REPROGRAMING OF APPROPRIATED FUNDS

In its report on the fiscal year 1974 Defense appropriations bill (S. Rept. 93-622), the Committee directed the Department of Defense to utilize the available reprograming flexibility in order to meet unanticipated or higher than programed funding requirements. For fiscal year 1983, the Committee considered 93 reprogramings with a total dollar value of $2,528,189,000. Eighty-one of these reprogramings were approved by the Committee either in whole or in part. The total amount approved was $2,185,067,000. A statistical summary of these reprograming actions during the last decade is shown below:

DEPARTMENT OF DEFENSE REPROGRAMINGS

[Dollars in millions]

	Number of actions	Value of program increase proposals
Fiscal year:		
1972	82	$1,866
1973	56	1,453
1974	24	219
1975	45	1,446
1976 (and transition quarter)	43	791
1977	55	1,036
1978	66	1,237
1979	60	1,163
1980	71	1,217
1981	50	937
1982	73	1,648
1983	93	2,528

Fiscal Year Budget Amendment

Since submission of the fiscal year 1984 budget in February 1983 by President Reagan, the administration has transmitted one budget amendment to the Congress. This amendment was submitted on September 15, 1983 (printed as House Document 98-111), and requested net reductions totaling $4,894,800,000. It included proposals to:

—Apply of revised economic assumptions (−$3,482,000,000).

—Implement of the President's Commission on Strategic Forces recommendations on the MX and small ICBM missile systems (−$1,449,000,000).

—Adjust for production delays on Bigeye chemical weapons (−$12,400,000).

—Restructure the air launched cruise missile program (−$22,000,000).

—provide for FICA tax increase (+$70,600,000).

These revisions have been incorporated in all the budget estimates cited in the Committee report.

Multiyear Procurement

In the fiscal year 1982 Defense Appropriations report, the Committee urged the Department of Defense to undertake steps to combat waste, fraud, and abuse within the Department as well as to expand efforts to increase efficiency within Department programs. The Congress also provided the Department of Defense with the necessary legislation to use multiyear procurement where appropriate as one means of reducing acquisition costs.

The Committee has recommended several more multiyear procurement starts in the accompanying bill and will continue to extend favorable consideration to this approach when fully justified. Clearly, the cost benefits derived from program stability and economic procurement volumes far outweigh accompanying drawbacks of incremental funding.

The Department is encouraged to review all stable procurement programs that involve little or no technical risk and to determine if multiyear contracting offers attractive cost advantages. Multiyear procurement candidates should be submitted to the Committee in time for full consideration in its fiscal year 1985 budget hearings.

However, the Committee fully shares the concerns expressed by the House and Senate Armed Services Committees that the Department's projected cost savings from multiyear procurement are not materializing. The wisdom of some aircraft multiyear contracting initiatives is questionable, and this indicates congressional insistence on careful restraint and cost reviews is being disregarded.

It is essential that all multiyear procurement candidates be thoroughly analyzed and costed, then soundly justified, before they are proposed to Congress. To avoid confusion, uniform procedures should be promulgated by the Department, as well as the method and system for developing estimates and projected cost savings. The Department is encouraged to use a discounting method for estimating savings as outlined in OMB Circular A–94.

As discussed last year, the Committee will expect the Department to annotate appropriate procurement displays, particularly the P–1 document, to indicate clearly where multiyear procurement is planned or proposed. This requirement, effective with the fiscal year 1984 budget submission, does not alter the separate requirement to justify in detail all multiyear procurement initiatives for major weapon systems. Further, the Department must budget and justify to the Committee all substantial multiyear contracting initiatives in advance of contract obligation to a prescribed funding or liability level.

In order to clarify the multiyear contracting proposals which the Committee believes should be reviewed and specifically authorized by the Congress, an expanded general provision has been recommended in the bill. It requires 30-day notification to Congress of any multiyear contract using economic order quantity procurement over $20,000,000 in any one year or involving an unfunded contingent liability in excess of that amount. A major multiyear contract subject to review and authorization in an appropriation act is defined as one involving any total development expenditure over $200,000,000 or total procurement cost of more than $1,000,000,000.

To avoid abuses of the multiyear contracting alternative, the Department should insure that no newly developed system is moved into initial production under a multiyear contract. The multiyear approach must be reserved for established production operations and low-risk, state-of-the-art technology.

Competition

One of the Department's major cost containment initiatives under the current administration has been to expand competitive contracting for good and services. The potential savings can be significant, even in the short term. Despite this effort, however, there has been mounting criticism of the Department's contracting practices and the continuing high

level of sole source contract awards. There are continuing complaints that contracting procedures are unwieldy and tend to limit competitive opportunities. In addition, the Committee remains concerned over the inconsistent approach to competitive dual source procurement.

Contracting practices were the subject of special hearings during the Committee's annual budget review, and the problems described above were explored at length, often utilizing actual contract awards or competitions as current examples.

The Committee also took extensive testimony on several dual source proposals, including those treated under the procurement section of the bill. In particular, it looked at the second source experience being gained in the Tomahawk cruise missile system, and it investigated the possible benefits and shortcomings of proposed dual source procurement with such systems as the Army's M–1 tank engine, the Navy's HARM antiradiation missile, and the Air Force's alternate fighter engine.

It is clear to the Committee that the problems being experienced with dual source procurement and the failure to realize substantial savings with this practice both result from poor planning. A decision to seek second source competition in major procurement programs should be made during the development process, and the long-range acquisition strategy should be tailored to fit that competitive technique.

Accordingly, the Committee has recommended bill language requiring the Secretary of Defense to certify to Congress—prior to full-scale engineering development—that a major system or subsystem will not be procured in sufficient quantity to warrant dual production sources, or to submit in lieu of that a plan for developing two or more such production sources.

In the area of competitive bidding, the Committee urges the Department to undertake a revision of current procedures in order to eliminate practices that tend to create unnecessary restrictions on competition. This applies to all levels of contracting for services and goods, large or small. Contract specifications should not be written so narrowly that they preclude certain otherwise qualified firms, systems or practices from competing. Reforms should be concentrated on those contract requirements that result in the elimination of all competition and perpetuate sole source awards.

Generally, the Committee believes the Department can avoid much of the congressional micromanagement it deplores if it is willing to seize the contracting reform initiative. The Committee stands ready to cooperate with the Department in this respect.

Warranties

The Committee is concerned that for too long Congress has been preoccupied with appropriating funds to correct defective and shoddy workmanship in weapons systems. Tax dollars should no longer be expended for the purpose of producing military weapons that are operationally unreliable, do not meet the military mission, task, and threat, and may imperil the lives of our troops on the frontlines of our Na-

tion's defense. It is the Committee's belief that Congress must demand that those weapons necessary for a strong defense work as intended.

In order to produce weapons which are reliable and which will enable the protection of vital U.S. security interests, the Committee recommends a general provision in the bill requiring the Department of Defense to obtain written guarantees in production contracts or any other agreements relating to the production of weapons systems. The language explicitly states that no appropriated funds will be obligated or expended for the procurement of a weapon system unless the prime contractor of such system provides the United States with a written guarantee that the system was designed, manufactured, and equipped to conform to the Government's performance requirements and that the weapons system is free from all defects in materials and workmanship.

The written guarantee must state that in the event of a failure of the weapons system to meet the conditions regarding its design, manufacture, and freedom from defects in material and workmanship, the contractor will bear the cost of all work including repairing or replacing all parts promptly that are necessary to achieve the required performance requirements; or if the contractor fails to repair or replace such parts promptly, the contractor will pay the cost incurred by the United States in procuring such parts from another source.

The provision further authorizes the Secretary of Defense to waive these requirements by notifying the Committees on Appropriations of the Senate and House of Representatives in writing that such a waiver is necessary in the interest of national defense.

Labor Surplus Contracting

The Committee has included the following provision in the bill with regard to a test program to authorize price differentials to relieve economic dislocation: "It is the sense of the Senate that the Secretary of Defense should formulate and carry out a program under which contracts awarded by the Department of Defense in fiscal year 1984 would, to the maximum extent practicable and consistent with existing law, be awarded to contractors who agree to carry out such contracts in labor surplus areas (as defined and identified by the Department of Labor)."

This provision is consistent with existing authorization legislation (section 1205) of the fiscal year 1984 Department of Defense Authorization Act). It urges the Secretary of Defense to formulate and carry out a test program which would allow a limited price differential to be paid for the purpose of relieving economic dislocations on any contract entered into by the Defense Logistics Agency, except a contract for the purchase of fuel. The test program is an exception to section 2392 of title 10, United States Code, commonly referred to as the Maybank amendment, which prohibits the use of funds appropriated to or for the use of the Department of Defense, in connection with any contract awarded by the Department of Defense, to pay a price differential for the purpose of paying higher prices in contracts in areas of high unemployment (labor surplus areas).

Some areas of the country, such as the State of West Virginia, have been extremely hard hit by the adverse effects of unemployment. For example, the current unemployment rate in that State is 16.7 percent, the highest in the Nation. Although this is lower than the 21 percent unemployment rate in that State last February (which was also the highest in the Nation at that time), that State and others are still suffering heavily from the adverse effects of high unemployment and economic dislocations.

The intent of the amendment is to urge the Secretary of Defense to make a maximum effort, within the constraints of existing law, to formulate and carry out a program under which contracts awarded by the Department of Defense in fiscal year 1984 would, to the maximum extent practicable, be awarded to contractors who agree to carryout such contracts in labor surplus areas (as defined and identified by the Department of Labor).

Under this test program, the Maybank prohibition would not apply to contracts, entered into by the Defense Logistics Agency during fiscal year 1984, if the Secretary of Defense were to make certain determinations.

The Secretary would be required to determine that such contract would not adversely affect national security; that there would be a reasonable expectation that bids would be received from a sufficient number of responsible bidders so that the award of such contract would be made at reasonable cost to the United States; that the price differential to be paid under such contract would not exceed 2.2 percent; and, that the cumulative effect of all contracts awarded under this test program would not exceed $4,000,000,000.

The authorizing legislation also directs the President to submit a report to the Congress by August 15, 1984, on the implementation and results of this program, in order to facilitate Committee consideration of the results of the test.

Budget Justifications

The Committee remains disturbed over the continuing inadequacy of the documentation it requires in support of the President's budget estimates. As the Committee observed last year, too much of this justification material has evolved into "boiler plate" with no accompanying up-to-date and relevant information to support program funding requests. In some cases, budget estimates involving more than $1,000,000,000 in new budget authority are still dismissed with a few typewritten lines and little or no allocation of the estimates by program and activity.

One glaring example of this inadequacy was the $5,100,000,000 strategic missiles program request as restructured by the September budget revisions. This major redirection in a critical national security effort involving long-term commitments to many more billions of dollars had little or no justification detail accompanying it, and none was delivered subsequently despite repeated Committee requests. Only the urgency of the revised program prevented the Committee from recommending substantial reductions.

The lack of information supplied with the budget complicates the Committee's responsibility for reviewing the budget estimates and makes it much more difficult to prepare for the extensive budget hearings that must be conducted. Information missing from the budget justifications must be separately requested by the Committee staff and separately provided by the Department and the services.

This situation is neither necessary nor defensible. Accordingly, the Committee will again expect the Department, in consultation with the Committees on Appropriations of the House and Senate, to develop a more responsive set of supporting documents for the President's budget and to be in position to submit them in conjunction with the fiscal year 1985 budget.

Pay Raise

The President's fiscal year 1984 budget request did not include funding for a pay raise for civilians or military personnel. The DOD authorization and the budget resolution assumed a 4-percent pay raise. Subsequent to this action the President, under the authority granted by the Federal Pay Comparability Act of 1970, proposed a 3.5-percent adjustment for civilian employees beginning in January 1984. It is the Committee's understanding that the Congress will supersede the President's proposal and authorize a 4-percent pay raise beginning on January 1, 1984. Accordingly, the Committee recommends providing $1,873,450,000 to fund a 4-percent pay raise for civilian and military personnel for that period. The House did not provide funding for a pay raise. In the event a 4-percent pay raise for civilians is not authorized, corrective action will be taken to reduce funding accordingly at the conference between the House and the Senate.

Seneca County Demonstration Expenses

The Committee is deeply concerned over the great financial burden recent demonstrations around the Seneca Army Depot have imposed on Seneca County, N.Y. The depot has been the target of large, persistent, and continuing demonstrations beginning in April 1983. These demonstrations have been based on their leaders' belief that warheads for Pershing II and ground launched cruise missiles will be shipped to their deployment locations in NATO Europe from the depot.

The law enforcement resources of the local community have been strained to the breaking point because these demonstrations involve large-scale civil disobedience. The Committee understands Seneca County incurred $198,494 in unbudgeted and unanticipated expenses from April through September 1983. Demonstrations are continuing, and the fiscal burden on this rural county with a population of only 30,000 is mounting.

In view of the fact that these demonstrations and the resulting financial burden on Seneca County would not have occurred but for the presence of the depot, the Federal Government bears a direct responsibility to assist the taxpayers of the county in meeting these extraor-

dinary expenses. Other small communities located in various States now face similar fiscal problems because of the presence of Federal installations and demonstrations targeted against them because of Federal defense and foreign policy decisions.

Accordingly, the Committee will expect the administration to support action on a priority basis on the next appropriations bill for Department of Justice activities to provide relief for Seneca County and any similarly situated communities.

TITLE I

MILITARY PERSONNEL

Funds appropriated under this title provide for the pay, allowances, subsistence, permanent change of station travel, and various other entitlements of the uniformed members of our Armed Forces. The level of active duty military personnel requested in the President's fiscal year 1984 budget is 37,300 above the end strength funded for fiscal year 1983, while the average strength of the Reserve components requested by the administration is 37,000 above the fiscal year 1983 level.

Pay and allowances.—A total of $37,010,206,000 is requested for the pay and other entitlements of active duty officers, enlisted personnel and cadets at the military academies. This includes basic pay, special and incentive pays, quarters, uniform, subsistence, and separation allowances—except for enlisted personnel subsistence—the U.S. Government's contribution to the social security fund and other applicable allowances. This function also includes enlistment and reenlistment bonuses in the case of enlisted personnel.

Subsistence of enlisted personnel.—This activity reflects the cost of feeding enlisted personnel, either for food served in dining halls—subsistence-in-kind—or in the form of cash allowances for those members authorized to subsist elsewhere. A total of $2,669,807,000 is requested for this activity in fiscal year 1984.

Permanent change of station travel (PCS).—The $2,901,591,000 requested for this activity in fiscal year 1984 supports the rotation of military personnel between permanent duty stations. It covers the cost of travel of the member and his dependents, either by commercial or organic means, per diem allowances at prescribed rates, transportation and nontemporary storage of household goods, and other related costs.

Other military personnel costs.—The $212,296,000 requested for this activity provides funds for the apprehension of military deserters, absentees, and escaped military prisoners; for the payment of death gratuities to beneficiaries of deceased military personnel; and for unemployment compensation.

Guard and Reserve paid drill and initial training.—The $3,166,708,000 requested for this activity includes the costs of the Selected Reserve, members of which attend prescribed numbers of inactive duty training assemblies, ranging from 24 to 48 drill periods per year, as well as 2 weeks active duty for training annually.

Other training and support.—This activity, budgeted at $2,037,192,000, supports school and special training for Reservists, administration and support of Guard and Reserve units, and the costs of those members of

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the individual Ready Reserve who perform only 2 weeks active duty for training each year. This activity also includes the costs to support personnel undergoing training through the Reserve Officers Training Corps and the health professions scholarship program to become commissioned officers of the Armed Forces.

The following table displays major elements of the fiscal year 1984 request for military personnel. The functions and activities for which appropriations are made are described briefly below.

MILITARY PERSONNEL COMPARATIVE TABLE

[In thousands of dollars]

		Fiscal year 1984—		
	Fiscal year 1983 actual	Budget estimate	House allowance	Committee recommendation
Funding by service component:				
Army	14,454,848	15,237,800	15,074,758	15,401,626
Navy	10,537,408	11,309,800	11,181,477	11,447,097
Marine Corps	3,293,277	3,467,300	3,447,324	3,515,159
Air Force	12,099,850	12,779,000	12,603,391	12,902,253
Army Reserve	1,247,250	1,388,300	1,346,850	1,426,600
Navy Reserve	657,125	744,000	739,800	758,600
Marine Corps Reserve	170,900	177,400	176,200	180,100
Air Force Reserve	358,925	383,600	380,000	389,400
Army National Guard	1,698,800	1,917,100	1,857,950	1,977,600
Air National Guard	548,425	593,500	589,100	604,400
Total budget request	45,066,808	47,997,800	47,396,850	48,602,835

Summary of Committee Action

The Committee is recommending a total of $48,602,835,000 in appropriations for Active and Reserve personnel costs in fiscal year 1984. This amount is $605,035,000 above the budget request and $1,205,985,000 above the House allowance. Explanation of the Committee's actions can be found in the following pages.

Military Strength Adjustments

For the Active Forces, military manpower is authorized each year in terms of end-of-year strength, while for the Reserve components the annual authorization is in terms of average strength. The fiscal year 1984 Defense Authorization Act increased the authorization of the Active Forces by 8,500, over the fiscal year 1983 level, and raised the average strength of the reserve forces by 46,600. The table below summarizes the adjustments in the fiscal year 1984 authorization to the Services manpower requests:

MILITARY STRENGTH

	Fiscal year 1983 actual	Fiscal year 1984— Budget estimate	Authorization	House allowance	Committee recommendation
Active Forces:					
Army	780,000	782,600	780,000	780,000	780,000
Navy	560,300	572,200	564,800	564,800	564,800
Marine Corps	194,600	197,300	196,600	196,600	196,600
Air Force	592,500	612,600	594,500	594,500	594,500
Total Active Forces	2,127,400	2,164,700	2,135,900	2,135,900	2,135,900
Guard and Reserve (in average strength):					
Army Reserve	258,700	270,700	273,700	273,700	273,700
Navy Reserve	105,500	112,600	112,600	112,600	112,600
Marine Corps Reserve	38,300	40,300	40,300	40,300	40,300
Air Force Reserve	66,000	68,600	68,600	68,600	68,600
Army National Guard	407,400	418,400	425,000	425,000	425,000
Air National Guard	101,100	103,400	103,400	103,400	103,400
Total Guard and Reserve	977,000	1,014,000	1,023,600	1,023,600	1,023,600

The military personnel budget requests are determined primarily by the average strength, or man-year programs, which the services estimate as required to meet their end strength goals. The end strength goal, however, does not automatically dictate a specific man-year program. Estimates for accession planning, attrition and retirements, for example, must be considered in establishing the total man-year program necessary to meet the authorized end strength.

Military Forces

The Committee recommends appropriations totaling $43,266,135,000 for the Active Forces and $5,336,700,000 for the Reserve Forces. This is $472,235,000 and $132,800,000 above the respective budget requests.

MILITARY MANPOWER AND PAY ADJUSTMENTS

The fiscal year 1984 authorization reduced the active military end strength request by 28,800. This decreases the requirement for funding by $183,500,000. The Committee recommends accepting this reduction. The House reduced funding by $243,400,000.

The authorization increased Reserve Forces average strength by 9,600 above the requested level. This will result in an increased requirement of $35,800,000. The Committee recommends increasing the Reserve Forces appropriations by this amount. The House did not include any increase for this program.

Military pay raise.—The Congress has authorized a 4-percent military pay raise scheduled to begin on the same date as the civilian raise. This is anticipated to be January 1, 1984. The Committee recommends $1,175,200,000 to fully fund this request. The House did not include funding for a pay raise, but instructed DOD to request funding as a

supplemental appropriation later. In fiscal year 1983, the Congress funded 75 percent of the pay raise requirement and directed the military services to absorb the shortfall. While this was effective in eliminating excess funds in certain programs, it also caused serious administrative problems. Numerous reprograming requests and alternatives were required to identify acceptable funding sources. The worst result was that 3 days before the end of the fiscal year the Congress and DOD were still not able to agree on acceptable sources to provide for the Army's pay raise. Based on this experience, the Committee does not believe that pay absorption is an acceptable method of cost control.

Therefore, the Committee has taken a very careful look at allowances, bonuses, incentive pays, and other personnel related programs to help offset the cost of the pay raise and keep personnel expenditures at an acceptable level.

Military retention improvements.—The Committee recommends $324,500,000 above the budget request to fund unbudgeted requirements caused by improved retention of military personnel. This amount is $3,200,000 below the House allowance. The Committee directs that these funds be used for increased requirements in basic pay, basic allowance for quarters, basic allowance for subsistence, and variable housing allowance programs. These funds are not available to pay bonuses or other discretionary programs.

Unemployment compensation.—Beginning in fiscal year 1984, the Department of Defense will be charged for the costs of unemployment benefits paid to exservice members. The fiscal year 1984 request for this program is $199,146,000. A close examination revealed this request was overstated by $20,500,000, and the Committee accordingly recommends $178,646,000 for this program. The House approved the same amount. Bill language addressing the limitations of such payment is discussed in the general provisions section of this bill.

Military compensation.—The Committee is concerned with the increasing costs of military compensation. Each year the Department of Defense reports that military compensation lags behind private sector pay. It is accurate that on average, basic military compensation is lower than that of civilians. It is not clear that when allowances, benefits, and indirect compensation are included that military pay is lower than that of civilians. Yet, it appears to be a widely held opinion within the military that private sector employees receive much higher compensation then do their military counterparts. It is also true that many private sector employees are currently agreeing to pay cuts to save their jobs, while military compensation continues to increase. Since 1980, the per capita cost of the military member has increased from $13,800 to $19,700. In real dollars, discounted for inflation, this equates to about a $2,000 increase per person.

In many cases military compensation is higher than that of other Federal employees. In 1983, the Grace Commission, the Congressional Budget Office, and the General Accounting Office all examined the compensation of civil servants and military personnel. These sources agree that comparisons between civil servant and military compensation

are tenuous because of job differences and other requirements; nonetheless, it is instructive to examine some comparisons. CBO statistics show that on average a military colonel in the Washington, D.C., area would have a disposable income about 30 percent higher than a GS–15 in a comparable position. While the Committee believes that military compensation should exceed that of the civil servant because of the rigors associated with a career in the military, there is concern that such discrepencies are excessive. The Grace Commission suggests that the differences between military and civilian income negate the necessity for other elements of the military compensation package. The Committee directs the DOD to examine military compensation including benefits, and compare it to that of private sector employees, on national average and regional averages, by job type. To get a more accurate portrayal of civilian life, unemployed characteristics should be factored into civilian averages. Elsewhere in this report, the Committee directs the Department of Defense to examine specific compensation elements questioning current requirements, particularly at senior levels.

A second concern of the Committee regarding military compensation is the disparity between enlisted and officer compensation. The differentiation of officers and enlisted personnel is a valuable and time-honored tradition, but in this period of increasing reliance on highly technical weapons, when the military has a greater need for higher quality enlisted personnel, it would seem natural that the gap should be narrowing. Yet, the Department continues to pay enlisted personnel significantly less than officers and the disparity increases with each pay raise. According to statements of military compensation provided to the Committee by the services, a young single captain with only a few years experience receives compensation—direct and indirect—of $37,300 while a senior noncommissioned officer with a spouse, children, and 22 years of service receives $36,600. While the pay of the senior enlisted person might be adequate, the Committee questions the need to compensate young officers at rates that exceed those of senior enlisted personnel.

These concerns will be one subject of the Committee's attention during the coming year. The Committee is awaiting the final reports of the fifth quadrenniel review of military compensation and the Grace Commission to examine their recommendations for cost-effective changes. The Department is, therefore, directed to report to the Committee on the actions it will take in response to the recommendations contained in these reports concerning military compensation and personnel policies 90 days after they have been issued.

ALLOWANCES AND BONUSES

Variable housing allowance (VHA).—The Committee recommends $806,697,000 for variable housing allowance funding. This is a reduction of $133,600,000 from the budget request based on three changes discussed below. The House allowance is $911,797,000.

VHA for reservists.—The Defense Department recommended a legislative change which was adopted in the fiscal year 1984 authorization act regarding payment of VHA to reservists. The associated reduction in

funding is $28,500,000 from the Reserve appropriations, the same as the House allowance. The provision requires that reservists do not receive a variable housing allowance unless they incur additional costs associated with their duties as reservists. Having accepted this provision, it would appear reasonable to conclude that reservists should also not receive a basic allowance for quarters (BAQ) unless they incur additional housing costs associated with their Reserve duties. Therefore, the Committee directs the DOD to examine this issue and report to the Committee by January 1, 1984, explaining why it did not include this limitation in the fiscal year 1984 request, why the DOD policy differentiates between BAQ and VHA, and whether it will include such a provision in the fiscal year 1985 budget request.

VHA ceiling.—The Committee has included bill language stating that housing compensation which consists of BAQ plus VHA shall not be higher than $700 per month for members with dependents and $475 per month for members without dependents. The Committee recommends this change because of the increasing costs of this program and understands that this proposal will have no effect on enlisted personnel. The allowance has been reduced by $5,100,000 in accord with this initiative. The House did not address this issue.

VHA freeze.—The Committee recommends that total housing compensation which consists of VHA and BAQ will be no higher than that paid to members of the same rank and serving in the same geographic area on September 30, 1983. This reduction is consistent with the budget request which did not include any increase in VHA or BAQ. Funding for this program has been reduced by $100,000,000 from the requested level. Bill language is included which requires this provision. The House did not address this issue.

The Committee is concerned with the rising costs of the VHA program. Since the first estimate was produced 3 years ago, the request for VHA has nearly tripled, even though costs have been held down through DOD management and congressional action. Accordingly, the Committee directs the Department to provide a comprehensive report on VHA to this Committee as soon as possible but no later than March 15, 1984. In this report DOD should explain why VHA rates have increased during a period of relatively stable housing costs. The report should also address the entire rate structure justifying why DOD does not base rates on the housing costs incurred by all residents of a region, the effect of the VHA program on the military member standard of living, and the validity of basing payment to homeowners on the costs incurred by renters. The Committee expects the report to consider the need for VHA payment to senior officer personnel, introduction of higher absorption factors, total elimination of the program, redefinition of high cost areas, creation of a new rate structure, and other possible methods to control costs.

Aviation career incentive pay.—During hearings this year the Committee received testimony from DOD witnesses regarding aviation career incentive pay (ACIP). It was learned that approximately 16,000 aviation officers receive this pay without flying. Senior officers (0–5 through

0–8), who on average will not be reassigned to flying duty positions, comprise 40 percent of those recipients. The Committee is concerned with the administration of the ACIP program and directs the Department of Defense to provide a comprehensive report to the Committee by May 1, 1984, on ACIP. This report should address the effect of ACIP on retention; an analysis of the number of aviators between the years 1960 and 1983, who reached 6 years of service and remained in service for 10, 15, 20, 25, and 30 years; a discussion of the compensation of recipients of ACIP as it compares to other nonaviators; an analysis of the effect on retention of the decision to eliminate ACIP to officers with 25 years of service, and the probable impact of a decision to eliminate payment to officers with 20 years of service; the effect of a reduction in ACIP on resources for the Reserves, National Guard, and the Civil Reserve Air Fleet; the requirement for 16,000 nonflying aviators, specifically those at senior officer levels; and programmatic alternatives to the status quo to enhance cost effectiveness, including allowing payment to senior officers with a restriction that they serve a full career defined as 30 years.

Selective reenlistment bonus (SRB).—In fiscal year 1983 the military services spent $100,000,000 less for selective reenlistment bonuses than was appropriated. The DOD request in fiscal year 1984 is 61 percent above the fiscal year 1983 expenditures. The fiscal year 1984 authorization assumed no growth in new payments in this program. The Committee recommends $468,940,000 for selective reenlistment bonus payments. This is $155,055,000 below the budget request and is the same amount provided by the House. This provides funding for new payments at the fiscal year 1983 level and an increase of $60,000,000 over fiscal year 1983 expenditures to cover increases in anniversary payments. Any additional increase is considered unwarranted based on the fiscal year 1983 experience, excellent retention rates, an unbudgeted pay raise, and reduced end strength requirements from the budget request.

The President's private sector survey on cost control (Grace Commission) criticized DOD management of the SRB program noting that payments are made to individuals in skill areas that are manned at over 100 percent of requirements. They also questioned the practice of paying bonuses to members with more than 10 years of service. The Committee directs the Department of Defense to report to the Committee by March 15, 1984, on the selective reenlistment bonus program addressing the criticisms of the Grace Commission, and suggesting programmatic changes to reduce costs and maximize the effectiveness of this program.

Enlistment bonus.—The fiscal year 1984 authorization assumed no growth in new payments for enlistment bonuses. The Committee recommends $149,284,000, a reduction of $7,900,000 from the request related to increases in new payments and the same as the House allowance. The recommended level is $14,000,000 above the fiscal year 1983 level and will fund increases for a congressionally directed enlistment bonus test. Any additional increase is considered unwarranted because of high retention, decreasing accessions, and lower end strengths than budgeted.

Aviation officer continuation bonus (AOCB).—The Navy and Marine Corps requested $12,000,000 in fiscal year 1984 to fund new payments of aviation officer continuation bonuses for all types of aviation officer specialties as well as $39,100,000 for anniversary payments. The 1984 authorization limited payment to pilots. The House reduced the allowance by $3,600,000 based on the limited authorization. The Committee disagrees that payment should be made only to pilots, in view of retention, morale, and equity considerations, and recommends the full request for payment for all aviation officer specialties where shortages exist. Appropriate bill language is included to implement this recommendation.

Legislative provisions.—The 1984 authorization provided several new programs. These include dependent student travel, fuel handler pay, transportation of the remains of military retirees, and reimbursement for accommodations in lieu of quarters. Neither accurate budget estimates nor justification was provided for these programs. With the exception of an Individual Ready Reserve bonus, which is discussed elsewhere in this report, no funds have been provided for these provisions. The Committee will consider DOD actions to reprogram funds into these other programs.

Overseas stati allowance cost-of-living allowance (COLA).—The fiscal year 1984 budget request includes $30,000,000 within the overseas station allowance (COLA) program because of a new methodology for calculating cost-of-living allowances. The fiscal year 1984 authorization report suggested the new methodology be delayed for 1 year. The Committee recommends accepting the authorization suggestion and reducing this part of the overseas station allowance by $30,000,000 to $132,303,000. The House allowance is $162,303,000. The Committee believes that this reduction is particularly appropriate due to the high value of the dollar on the international market.

Classified programs.—The Committee recommends a reduction of $13,610,000 from the military personnel appropriations for classified programs. This change is explained in the classified annex of the Committee report. The House included a reduction of $10,410,000.

Flat rate per diem.—The Committee recommends inclusion of a general provision (section 793) to allow the Air Force and the Defense Logistics Agency (DLA) to test a locality based flat rate per diem system for up to 2 years. The Air Force will be allowed to test for military personnel, while DLA will be allowed to test for civilian personnel. It is the Committee's understanding that such a system might lower the cost of travel by reducing administrative overhead. Allowance of this test should not be construed as Committee endorsement of a flat rate per diem system. No additional funds will be made available to cover the cost of the test. The Committee directs the Department of Defense to report to the Committee by July 1, 1984, on the interim results of the test.

Subsistence inflation.—The Committee recommends reducing the request for subsistence by $4,300,000 based on lower inflation than was budgeted, the same as the House allowance.

PERMANENT CHANGE OF STATION TRAVEL

The Committee recommends $2,517,591,000 for permanent change of station travel (PCS). The fiscal year 1984 authorization capped PCS at fiscal year 1983 levels plus inflation with an estimated cost of $2,585,-000,000. The House approved this allowance. Subsequent information shows that fiscal year 1983 costs were $100,000,000 lower than anticipated in the authorization act. The recommended allowance would hold PCS at the fiscal year 1983 level with allowances for inflation. The PCS reductions are based on specific items which are addressed below.

Temporary lodging expense (PCS).—This new program would permit member reimbursement of up to $110 per day for a maximum of 4 days while undergoing a permanent change of station move. The authorization report recommends that authority to pay this benefit be delayed until fiscal year 1985. This program was not funded in previous years. The Committee recommends deleting $120,500,000 for this program, the same as the House allowance.

European troop strength.—The fiscal year 1984 authorization capped U.S. forces in Europe at 318,200. The budget request was based on a force structure of 326,000 in Europe. The Committee recommends a reduction of $28,300,000 based on 7,800 fewer moves. While a waiver process to raise the ceiling has been authorized there is no assurance that a waiver will be required. The House reduced funding for this program by $28,100,000

Inflation (PCS).—The September budget amendment projected lower inflation rates than those budgeted. No reduction was included in the military personnel appropriations. The Committee recommends a reduction of $8,900,000 because of anticipated lower inflation rates, the same as the House allowance.

Grace Commission recommendations.—The President's private sector survey on cost control (Grace Commission) estimates that millions of dollars can be saved if the Defense Department tightens its management control on granting exemptions from regulations governing PCS transfer policy. They report that nearly 14 percent of all career personnel moves and 22 percent of all general and flag officer moves were exceptions to DOD policy and generally allowed personnel to transfer more often than allowed under the DOD regulations.

The Commission also criticized excessive PCS moves as destabilizing to family life and having a negative impact on work performance. On a related matter the Grace Commission recommended that PCS moves for training be reduced, with greater emphasis placed on temporary duty for training courses. Further, the Commission recommended lengthening accompanied tours overseas.

The Committee recommends a reduction of $100,000,000 associated with these recommendations and instructs the Department of Defense to meet force structure requirements within the funds appropriated. The DOD is directed to report to the Committee by April 1, 1984, in response to the recommendations of the Grace Commission explaining which recommendations were adopted and what permanent steps were taken to limit PCS costs and excessive moves. The House did not address this issue.

PCS freeze.—The Committee recommends an additional reduction of $88,300,000. This will reduce the allowance for PCS to the fiscal year 1983 level. The House reduction in this area was $110,285,000.

NATIONAL GUARD AND RESERVE FORCES

Full-time support.—The fiscal year 1984 authorization reduced the Active Guard and Reserve full-time support program by 1,186 personnel below the budget request. The Committee recommends a $10,000,000 decrease in Army Reserve and National Guard funding associated with this reduction. The House reduced funding for this program by $25,000,000.

Individual Ready Reserve bonus.—The Committee recommends $12,000,000 for payment of bonuses for enlistment and reenlistment in the Individual Ready Reserve (IRR). The 1984 authorization provided up to $12,000,000 for payment of this new bonus. The Committee agrees that the requirement for the IRR is a legitimate concern and that bonuses can be an effective means for increasing the IRR force. The Committee will closely monitor the new bonuses to insure that payment is targeted to essential skills, and that the desired results are achieved.

Civilian technicians, Active Guard and Reserves.—The House reduced the Active Guard and Reserve Force (AGR) by 2,394 and increased the civilian technician floor by the same number. In conjunction, the House reduced the military personnel appropriations by $50,500,000 and increased the operations and maintenance appropriations by the same amount.

The Committee recommends maintaining the current floor on the civilian technician program and the authorized level of the AGR force. Therefore, the Committee does not accept the House reduction in the personnel appropriations or the increase in the operating accounts.

The House has also reduced the Army National Guard funding by $10,000,000 in conjunction with the AGR conversion program to encourage better management. The Committee does not recommend this reduction, because no evidence has been provided to demonstrate that this budget cut will stimulate better management.

The House has included a general provision (section 788) which prohibits funds to pay a technician in the administration and training of the Army Reserve and the maintenance and repair of supplies issued to the Army Reserve employed after the date of the act unless that employee is also a military member of the same Army Reserve unit. The Committee recommends inclusion of this general provision.

The Committee has been made aware of a management problem regarding the AGR Force and the civilian technicians. It is the Committee's understanding that the introduction of Active National Guardsmen and Reservists into areas where civilian technicians are already employed has created a chain of command problem. It seems that supervisorial responsibilities of civilian technicians have been altered and job descriptions have been changed due to the addition of AGR's without justification or regard to actual changes in duties. It is the recommendation of the Committee that the addition of AGR's will not cause the

supervisorial responsibilities nor the job descriptions of the civilian technicians to be changed.

OTHER HOUSE ADJUSTMENTS

In addition to the items discussed, the House reduced several other programs from the budget request by $47,300,000. The Committee does not recommend acceptance of these reductions. Each change is displayed in the following tables.

Special pay for physicians.—The House reduced special pay for physicians by $20,000,000 in relation to a general provision prohibiting payment of special pay to physicians and dentists whose primary duties are administrative in nature. The Committee recommends against this reduction and includes the full budget request for this program.

MILITARY PERSONNEL, ARMY

1983 appropriation	$14,454,848,000
1984 budget estimate	15,237,800,000
House allowance	15,074,758,000
Committee recommendation	15,401,626,000

The Committee recommends an appropriation of $15,401,626,000 for fiscal year 1984. This is $163,826,000 above the budget request and $326,868,000 above the House allowance.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Change from budget
Active Army end strength		-26,800	-31,200	-31,200
Four percent pay raise			372,900	+372,900
Improved retention		79,400	78,900	+78,900
Unemployment compensation	71,600	73,300	73,300	+1,700
Selective reenlistment bonus	136,698	85,966	85,966	-50,732
Enlistment bonus	125,150	123,550	123,550	-1,600
Overseas station allowance	37,985	37,985	31,185	-6,800
Classified programs		-10,410	-5,432	-5,432
Temporary lodging expense (PCS)	55,735			-55,735
Full JTR to Germany (PCS)	38,000			-38,000
European troop strength (PCS)		-8,500	-10,000	-10,000
Inflation (PCS)	28,300	25,200	25,200	-3,100
Grace Commission recommendations (PCS)			-38,000	-38,000
PCS limitation		-20,400	-21,400	-21,400
VHA freeze			-25,000	-25,000
VHA ceiling			-1,275	-1,275
HAWK missile maintenance		-10,000		
Physicians special pay	78,633	68,633	78,633	
Shippers Association		-800		
New food cost index	4,200		4,200	
Recruiting and advertising		-700		
Inflation (subsistence)	12,300	10,900	10,900	-1,400
European troops (Pay)		-1,800		

Full JTR to Germany.—Subsequent to the budget submission, DOD agreed to a request by the Army not to implement the full joint travel regulation (JTR) weight allowance to Germany. The Committee recommends a reduction of $38,000,000 from the Army PCS account based on this change, the same as the House allowance.

MILITARY PERSONNEL, NAVY

1983 appropriation	$10,537,408,000
1984 budget estimate	11,309,800,000
House allowance	11,181,477,000
Committee recommendation	11,447,097,000

The Committee recommends an appropriation of $11,447,097,000 for fiscal year 1984. This is $137,297,000 above the budget request and $265,620,000 above the House allowance.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Change from budget
Active Navy end strength		-49,400	-30,700	-30,700
Four percent pay raise			270,600	+270,600
Improved retention		118,000	117,600	+117,600
Classified programs			-2,606	-2,606
VHA freeze			-35,000	-35,000
VHA ceiling			-1,775	-1,775
PCS limitation		-47,201	-30,300	-30,300
European troop strength (PCS)		-5,600	-3,000	-3,000
Grace Commission recommendations (PCS)			-21,000	-21,000
Temporary lodging expense (PCS)	23,800			-23,800
Inflation (PCS)	23,941	21,241	21,241	-2,700
Selective reenlistment bonus	275,534	206,812	206,812	-68,722
Enlistment bonus	16,500	11,100	11,100	-5,400
Overseas station allowance (COLA)	41,428	41,428	33,828	-7,600
Unemployment compensation	56,000	39,200	39,200	-16,800
Inflation (subsistence)	12,964	11,464	11,464	-1,500
New food cost index	7,900		7,900	
Physicians special pay	60,585	55,585	60,585	
Shippers Association		-100		
Recruiting and advertising		-5,900		
European troops (pay)		-2,900		
Aviation officer continuation bonus	38,800	-35,400	38,800	

MILITARY PERSONNEL, MARINE CORPS

1983 appropriation	$3,293,277,000
1984 budget estimate	3,467,300,000
House allowance	3,447,324,000
Committee recommendation	3,515,159,000

The Committee recommends an appropriation of $3,515,159,000 for fiscal year 1984. This is $47,859,000 above the budget request and $67,835,000 above the House allowance.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Change from budget
Active Marine Corps end strength		-7,000	-4,400	-4,400
Four percent pay raise			81,700	+81,700
Improved retention		7,100	7,100	+7,100
Unemployment compensation	25,340	23,940	23,940	-1,400
Selective reenlistment bonus	77,732	71,856	71,856	-5,876
Enlistment bonus	12,730	11,830	11,830	-900
Overseas station allowance (COLA)	15,577	15,577	15,077	-500
Temporary lodging expense (PCS)	8,965			-8,965
European troop strength (PCS)			-300	-300
Inflation (PCS)	4,100	3,600	3,600	-500
Grace Commission recommendations (PCS)			-7,000	-7,000
VHA freeze			-10,000	-10,000
VHA ceiling			-500	-500
New food cost index	1,600		1,600	
Inflation (subsistence)	5,679	5,079	5,079	-600
Aviation officer continuation bonus	12,354	12,154	12,354	

Military Personnel, Air Force

1983 appropriation	$12,099,850,000
1984 budget estimate	12,779,000,000
House allowance	12,603,391,000
Committee recommendation	12,902,253,000

The Committee recommends an appropriation of $12,902,253,000 for fiscal year 1984. This is $123,253,000 above the budget request and $298,862,000 above the House allowance.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Change from budget
Active Air Force end strength		-160,200	-117,200	-117,200
Four percent pay raise			326,500	+326,500
Improved retention		123,200	120,900	+120,900
Unemployment compensation	46,206	42,206	42,206	-4,000
Selective reenlistment bonus	134,031	104,306	104,306	-29,725
Overseas station allowance (COLA)	67,313	67,313	52,213	-15,100
Classified programs			-5,572	-5,572
Temporary lodging expense (PCS)	32,000			-32,000
European troop strength (PCS)		-14,000	-15,000	-15,000
Inflation (PCS)	23,200	20,600	20,600	-2,600
Grace Commission recommendations (PCS)			-34,000	-34,000
PCS limitation		-42,684	-36,600	-36,600
VHA freeze			-30,000	-30,000

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Change from budget
VHA ceiling			-1,550	-1,550
Physicians special pay	59,056	54,056	59,056	
Shippers Association		-300		
New food cost index	2,100		2,100	
Recruiting and advertising		-900		
Inflation (subsistence)	6,980	6,180	6,180	-800
European troops (pay)		-4,500		

Reserve Personnel, Army

1983 appropriation	$1,247,250,000
1984 budget estimate	1,388,300,000
House allowance	1,346,850,000
Committee recommendation	1,426,600,000

The Committee recommends an appropriation of $1,426,600,000 for fiscal year 1984. This is $38,300,000 above the budget request and $79,750,000 above the House allowance.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Change from budget
Average strength adjustment			11,200	+11,200
Full-time support (AGR)		-17,000	-6,300	-6,300
Four percent pay raise			30,500	+30,500
VHA	22,156	15,256	15,256	-6,900
Individual Ready Reserve bonus			9,800	+9,800
AGR/civilian technician mix		-17,550		

Reserve Personnel, Navy

1983 appropriation	$657,125,000
1984 budget estimate	744,000,000
House allowance	739,800,000
Committee recommendation	758,600,000

The Committee recommends an appropriation of $758,600,000 for fiscal year 1984. This is $14,600,000 above the budget request and $18,800,000 above the House allowance.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Change from budget
Four percent pay raise			17,900	+17,900
VHA	17,603	13,403	13,403	-4,200
Individual Ready Reserve			900	+900

Reserve Personnel, Marine Corps

1983 appropriation	$170,900,000
1984 budget estimate	177,400,000
House allowance	176,200,000
Committee recommendation	180,100,000

The Committee recommends an appropriation of $180,100,000 for fiscal year 1984. This is $2,700,000 above the budget request and $3,900,000 above the House allowance.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Change from budget
Four percent pay raise			3,600	+3,600
VHA	2,766	1,566	1,566	-1,200
Individual Ready Reserve bonus			300	+300

Reserve Personnel, Air Force

1983 appropriation	$358,925,000
1984 budget estimate	383,600,000
House allowance	380,000,000
Committee recommendation	389,400,000

The Committee recommends an appropriation of $389,400,000 for fiscal year 1984. This is $5,800,000 above the budget request and $9,400,000 above the House allowance.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Change from budget
Four percent pay raise			8,400	+8,400
VHA	5,775	2,175	2,175	-3,600
Individual Ready Reserve bonus			1,000	+1,000

National Guard Personnel, Army

1983 appropriation	$1,698,800,000
1984 budget estimate	1,917,100,000
House allowance	1,857,950,000
Committee recommendation	1,977,600,000

The Committee recommends an appropriation of $1,977,600,000 for fiscal year 1984. This is $60,500,000 above the budget request and $119,650,000 above the House allowance.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Change from budget
Average strength adjustment			24,600	+24,600
Full-time support (AGR)		-8,000	-3,700	-3,700
Four percent pay raise			47,800	+47,800
VHA	122,581	114,381	114,381	-8,200
AGR/civilian technician mix		-32,950		
AGR conversion program		-10,000		

National Guard Personnel, Air Force

1983 appropriation	$548,425,000
1984 budget estimate	593,500,000
House allowance	589,100,000
Committee recommendation	604,400,000

The Committee recommends an appropriation of $604,400,000 for fiscal year 1984. This is $10,900,000 above the budget request and $15,300,000 above the House allowance.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Change from budget
Four percent pay raise			15,300	+15,300
VHA	12,573	8,173	8,173	-4,400

TITLE II

RETIRED MILITARY PERSONNEL

RETIRED PAY, DEFENSE

1983 appropriation	$16,154,800,000
1984 budget estimate	16,772,800,000
House allowance	16,592,600,000
Committee recommendation	16,592,600,000

The Committee recommends an appropriation of $16,592,600,000 for retired pay, the same as the House allowance. This is an increase of $437,800,000 over the fiscal year 1983 appropriation and a decrease of $180,200,000 from the budget estimate.

Appropriations under this title finance retirement pay, as authorized and prescribed by law, for military personnel on the retired lists of the Army, Navy, Marine Corps, and Air Force. This includes payments for nondisability retirement at completion of prescribed lengths of service, for those in temporary or permanent disability status, for Navy and Marine Corps members of the Fleet Reserve who have 20, but less than 30, years' creditable service, and for survivors of deceased members who qualify for continued annuities. The estimates exclude payments to individuals who elect to receive compensation for physical disability from the Veterans Administration. The amounts requested are also exclusive of any administrative expense.

Accrual accounting.—The existing military retirement systems funds retirement costs from the retired pay, defense appropriation on the basis of current retired population obligations. The fiscal year 1984 DOD Authorization Act (Public Law 98–94) established an accrual accounting system for military retirement effective October 1, 1984. Under this system, the Department of Defense budget would no longer include payments to retirees. These payments would be made from a new trust fund called a military retirement and disability fund to be established under the income security function of the budget and administered by the Secretary of the Treasury. The authorization provided for each of the military departments to budget only for the future costs of retirement of the existing force with subsequent transfer of these resources into the trust fund, thus eliminating the need for a retired pay, defense appropriation. The Committee supports the authorization act as a step toward better accountability of military personnel costs.

The Committee is concerned that the creation of the new system will cause an administrative problem regarding funding of certain survivors' benefits as provided for in Public Law 97–377, section 156(g)(1) as amended by the DOD Authorization Act for fiscal year 1984 (Public

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Law 98–94). It is the sense of the Committee that with the creation of the accrual accounting system, these costs should no longer be paid from the retired pay, defense appropriation or from funds otherwise available to the Department of Defense. The essence of moving to an accrual accounting system in this instance is to reflect in the Department of Defense only the full cost of maintaining the current force. Further, the Committee believes funding for this program, which is essentially a social security benefit and is unrelated to defense retirement costs, should not be paid from Department of Defense funds. Therefore, the Committee directs the Department to work with the Office of Management and Budget and other appropriate agencies to propose an agency other than the Department of Defense to fund these benefits and report to the Committee by March 15, 1984, on this issue.

TITLE III

OPERATION AND MAINTENANCE

The Committee recommends appropriations totaling $73,728,053,000 in title III, operation and maintenance, for fiscal year 1984. This is $1,244,621,000 below the budget estimate and $2,414,687,000 above the House allowance.

The Committee recommendations by appropriation account are compared with the budget estimate in the following table:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Change from budget
Operation and maintenance, Army	17,655,800	16,737,284	17,334,571	- 321,229
Army stock fund	408,600	379,400	408,600	
Army industrial fund		99,400		
Operation and maintenance, Navy	22,601,600	21,344,474	22,266,908	- 334,692
Navy stock fund	682,869	634,069	632,869	- 50,000
Navy industrial fund		181,900		
Operation and maintenance, Marine Corps	1,554,900	1,506,650	1,547,050	- 7,850
Marine Corps stock fund	22,280	20,780	22,280	
Marine Corps industrial fund		2,300		
Operation and maintenance, Air Force	18,250,100	17,057,746	17,871,056	- 379,044
Air Force stock fund	1,638,325	1,241,225	1,353,325	- 285,000
Air Force industrial fund		80,600		
Operation and maintenance, Defense agencies	6,818,900	6,501,838	6,584,744	- 234,156
Defense stock fund	47,000	43,600	47,000	
Defense industrial fund		150,300		
Operation and maintenance, Army Reserve	654,800	687,630	677,100	+ 22,300
Operation and maintenance, Navy Reserve	662,000	658,360	639,500	- 22,500
Operation and maintenance, Marine Corps Reserve	52,629	51,989	52,879	+ 250
Operation and maintenance, Air Force Reserve	787,000	773,800	790,900	+ 3,900
Operation and maintenance, Army National Guard	1,118,000	1,176,700	1,169,800	+ 51,800
Operation and maintenance, Air National Guard	1,740,700	1,768,650	1,807,300	+ 66,600
National Board for the Promotion of Rifle Practice, Army	899	899	899	
Claims, Defense	222,900	160,400	172,900	- 50,000
Court of Military Appeals, Defense	3,372	3,372	3,372	

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Change from budget
Summer Olympics	50,000	50,000	45,000	-5,000
Environmental restoration fund, Defense			300,000	+300,000
Total, title III, operation and maintenance: New budget (obligational) authority	74,972,674	71,313,366	73,728,053	-1,244,621

INFLATION AND PROGRAM GROWTH

The Department's budget estimate of $74,972,674,000 includes $2,446,050,000 for inflation and $3,856,000,000 for real program growth over the previous year programs. The Department assumed an average rate of inflation of 4.6 percent.

The recommended allowance for the operation of the Armed Forces and defense agencies represents real growth over fiscal year 1983 of 4.7 percent. Savings of nearly $2,000,000,000 from lower fuel costs and inflation were reflected in the September budget amendment. The Committee identified further savings from improvements in the currency exchange rates overseas, authorized limitations, and adjustments to reflect revised program budget estimates. Other specific program reductions accrue from the initiation of modest fees for medical care, curtailing the growth in industrial plant equipment purchases and peacetime operating consumable stock, and revising the aircraft flying hour program to current projections.

These reductions afford the opportunity to fund the expected January 1, 1984, civilian pay raise of 4 percent and establish a new account to cleanup hazardous waste and abandoned installations. The recommended funding level for the operating accounts continues to support the Department's commitment to improve readiness. The budgeted rate for steaming hours, flying hours as revised, force modernization, and weapon systems modifications programs are fully supported.

All comparisons of appropriation account totals in this section reflect amended budget estimates and House Committee reported allowances. The separate account summary of adjustments reflects known House floor amended totals to date.

AUTHORIZATION REQUIREMENTS

The fiscal year 1982 authorization act specified, for the first time, the authorization of appropriations for operation and maintenance spending of the Department of Defense. It began with the establishment of limitations by military service and defense agencies, and last year further specified authorization by appropriation account level. The fiscal year 1984 act has moved to the next level of detail through establishment of limitations within the title III appropriation accounts at the budget activity level. This evolving pattern of greater detailed guidance has resulted in the delineation of more than 60 finite levels of authorization

instruction for operating costs established in law. By comparison the authorization act contains less than 20 account limitations for defense procurement.

Section 301 of the authorization act waives the reprograming requirement at the budget activity level, but retains such transfer guidance for the appropriation account level. Therefore, the specific authorization of budget activities is considered advisory in nature. Rather than burden this already cumbersome title with yet another level of restrictive detail, the reported bill recommends the appropriation of operating funds at the traditional account level. But the Committee must question whether this increasingly detailed approach within the authorization act serves any useful purpose and whether it does not, in fact, create unnecessary paperwork obstacles. Meanwhile, the Committee has carefully reviewed its recommendations and is confident that the allowances recalculated at the budget activity level fall below the limitations established by authorization. The report format to display recommended allowances by program package has been abandoned in view of the apparent redundancy to authorization. The account tables in this section display adjustments at the appropriation level.

During its consideration of the fiscal year 1984 budget request the Committee was made aware of funding inadequacies in the budget estimates for a number of programs in the operating accounts. In instances where the addition of funds would force an allowance above authorized budget activity limitations, the proposal was rejected. The Committee's adherence to these specific limitations far outweighed the marginal advantages of correcting funding shortfalls above authorized levels.

FOREIGN CURRENCY REVALUATION

The Committee recommends a reduction of $159,827,000 dispersed throughout each of the operating accounts to reflect improvements in the exchange rates of the U.S. dollar against various foreign currencies. The reduction is based on the expectation that the exchange rate will remain at current levels through fiscal year 1984 budget execution. If the rate dips below current conditions, the foreign currency fluctuations account balances are adequate to cover a reasonable shortfall.

Congress established the foreign currency fluctuations account in 1979 to reimburse operating accounts for dollar buying power erosion resulting from weak exchange rates. Payments from the fund allowed the Department to shield operating programs from significant losses in currency value. If the current exchange rate is maintained, the balances of the fund will exceed $600,000,000 in fiscal year 1984. The Committee expects the recommended reduction will force a decline in these balances. However, permanent authority provided in the 1983 Appropriation Act permits the transfer of unobligated balances to the fund whenever reserves are substantially below levels previously appropriated.

END STRENGTH ADJUSTMENTS

Reductions are reflected in each of the oprating accounts based on authorized limits to civilian and military personnel end strengths. The authorization act reduced the request for civilian personnel by 15,974 to 1,056,200 which permits a reduction of $143,800,000 from the budget request. Similarly, authorized limitations on military personnel end strength 28,800 below budgeted levels affords a reduction of $68,500,000 from associated support costs. The House displayed this reduction in two areas, European troop strength and military end strength. The Committee recommendation concurs in the House position.

CIVILIAN PAY RAISE

The fiscal year 1984 DOD budget request did not include funding for a Federal pay raise for civilian employees. The authorization act and the budget resolution, however, assumed a 4-percent pay raise beginning on January 1, 1984. While the reconciliation process has not been completed, it is the Committee's understanding that congressional intent is to authorize a 4-percent pay raise on January 1, 1984. If adopted, this will supersede the President's request for a 3.5-percent increase to take effect on the same date.

The Committee recommends an increase of $670,550,000 to fully fund a 4-percent pay raise beginning on January 1, 1984. The additional funding is reflected under each of the operating account headings. The House did not include funds for a civilian pay raise, but instructed DOD to submit a supplemental request. Because of the House action, the pay raise will be an item for discussion at the conference between the House and the Senate. If the Congress authorizes a civilian pay raise other than that currently anticipated, an adjustment can be made by the conferees.

STOCK FUND ACCOUNTING

In conformance with the authorization, $194,600,000 is reduced from the budget request to finance a stock fund accounting change. The current accounting procedure permits the obligation of funds after an item is delivered to the requesting activity. In effect, material is carried on the books of the stock fund until dropped from inventory even though outstanding orders from inventory may exist. The requested budget authority would finance an accounting change to record obligations when a stock fund order is placed. However, the General Accounting Office contends this policy can be implemented without additional funds as evidenced by the Navy's successful efforts in the absence of increased budget authority. The Army has indicated to the Committee that this procedure can be implemented without prior budget authority. The authorized reduction was without prejudice and, therefore, the Committee expects the implementation of the stock fund accounting policy change in the Air Force and other accounts within available resources by the end of fiscal year 1984.

INDUSTRIAL PLANT EQUIPMENT

The Committee recommends a reduction of $148,000,000 from the request for industrial plant equipment purchases. Last year the Department implemented a new program to procure equipment for industrial activities through the operating accounts. The cost of such equipment would be passed along to industrial activity customers as a portion of the industrial fund rates. While the Committee believes this policy to be sound financial management, the requested $564,500,000, more than double the fiscal year 1983 appropriated level, is premature in view of improvements which must be implemented prior to accelerating the program.

The Committee expects a report to accompany the fiscal year 1985 budget submission which: addresses the baseline used to determine industrial plant equipment requirements; estimates productivity gains expected; establishes a finite goal for equipment modernization; and projects requirements for such purchases through the 5-year plan. The current state of DOD industrial activities supports the need for modernization. While the Committee does not concur in the House recommendation to budget for equipment purchases directly in the industrial funds, it shares the concern that better justification is required before approving budget requests of the magnitude proposed.

CONSULTANTS, STUDIES, AND ANALYSES

The budget request includes $1,423,000,000 for studies, analyses, and consulting costs, an increase of over 17 percent from the current reported rate of spending for such services. The fiscal year 1983 request of $1,273,000,000 was reduced in the appropriation act by nearly $200,000,000, yet the current reported level of spending for these fiscal year 1983 costs exceeds $1,214,000,000. The Committee is forced to the conclusion that the reductions specifically directed by Congress were ignored since actual spending declined less than $60,000,000 below the budgeted rate. Furthermore, it is implied that the Department of Defense decreased other programs unrelated to contract services costs in order to accommodate the total directed reduction. The descriptive term "nonprogrammatic reductions," which seems to have crept into DOD budgeting vernacular, appears to have been employed by the Department of Defense for practical application. More importantly, it appears that other programs have been reduced to cover such questionable projects as an Air Force contract study to develop a rationale to overturn the consumable item consolidation program specifically directed by the Secretary of Defense. Such efforts do not appear to be driven by readiness considerations.

The Secretary of Defense directed last spring that the level of spending for contract services be held to the fiscal year 1983 rate. The recommended allowance implements the Secretary's direction through reductions of $148,000,000 distributed in the operating, procurement, and R&D accounts detailed in the adjustment tables.

Last year the Committee recommended that the new Office for DOD Contract Studies and Management Support Services be established un-

der the auspices of the DOD Comptroller. After enactment of the fiscal year 1983 appropriation, the Department notified the Committee of its intention to retain that function in the Office of the Undersecretary for Research and Engineering. In view of the failure in fiscal year 1983 to control these costs, the Department is directed to relocate the office under the DOD Comptroller as a means to lend greater financial control over expenditures for contract services.

CIVILIAN HEALTH AND MEDICAL PROGRAM OF THE UNIFORMED SERVICES (CHAMPUS)

Biofeedback.—The Committee has been interested in having CHAMPUS reimburse beneficiaries for biofeedback services, under specified conditions, since its deliberations on the fiscal year 1978 appropriations bill. In June 1979, the Committee received a letter from the principal Deputy Assistant Secretary of Defense for Health Affairs indicating that biofeedback will become a covered CHAMPUS benefit for a limited and well-defined group of clinical conditions. To date, this has not occurred. Therefore, the Committee directs the Department of Defense to report to the Congress by April 1, 1984, on the date that CHAMPUS will establish benefits for limited biofeedback services.

Peer review.—The Committee directs CHAMPUS to increase its efforts to insure that the mental health peer review system will become truly cost effective and, further, that it proceed to establish a similar approach for surgical care.

Fraud and abuse.—The Committee supports CHAMPUS' efforts to counter individual provider and beneficiary fraud. Experts have estimated that on a nationwide basis, approximately 15 percent of all types of insurance claims are fraudulent. The Committee directs CHAMPUS to provide a report on its efforts in this area by July 31, 1984, including any programmatic recommendations that would be appropriate. The Committee recognizes that cooperation between the Department of Defense and the Departments of Health and Human Services and Justice is essential to effective fraud and abuse control. The Department is directed to report any difficulties experienced in this area to the Committee.

Family advocacy program.—The Committee recommends including $10,000,000 for the Department to continue its family advocacy program to counter child and spouse abuse. This is an increase of $5,000,000 from the fiscal year 1983 appropriation and the budget request. A recent report from the Department indicated that approximately 1,000 cases of military family violence are occurring each month. This statistic demonstrates the enormity of the problem. The Committee recommends that funding for this program be administered centrally to insure that funds appropriated will be used for the purposes intended. Therefore, the Committee recommendation includes transferring funding from the individual service budgets into that of the Assistant Secretary of Defense for Health Affairs.

Optometry.—The Committee is concerned that CHAMPUS beneficiaries have access to as comprehensive a vision care benefit as possible,

within the authorization statute. Vision care should be considered true prevention, and providing CHAMPUS beneficiaries with adequate vision care would improve morale.

Health Maintenance Organization (HMO) project.—The Committee recommends bill language to continue the HMO program since it has major cost savings potential, especially with regard to hospital costs. It is the intent of the Committee that CHAMPUS have maximum flexibility in developing its HMO package within the $125,000,000 limitation. The Committee is interested in the possibility of CHAMPUS exploring a partial HMO benefit with a closed enrollment approach such that beneficiaries would receive most of their care at military installations, but at the same time have access on a prepaid or capitation basis to those services which the base facility cannot provide. Such a combined approach should provide for quality care at a predictable cost and could be particularly beneficial to those military medical treatment facilities which are overburdened with patients.

Inpatient mental health care.—The Committee is addressing inpatient mental health care given the evidence that approximately 78 percent of CHAMPUS mental health costs are for inpatient care. CHAMPUS cannot continue to absorb these huge costs. The Committee supports the 60-day limitation and the waiver procedure for truly exceptional cases as approved by the authorization. The Committee directs CHAMPUS to continue working with peer review in issuing waivers. The Committee also directs CHAMPUS to establish a partial hospitalization benefit in order to insure that those individuals who need greater supervision than provided by outpatient care, but who do not need inpatient care, will have the necessary services available to them.

Nonphysician health care providers.—The Committee remains concerned that the Department has been unresponsive to morale problems which exist within the nonphysician health care provider ranks as reported by the Defense Audit Service. The Committee directs the Assistant Secretary of Defense for Health Affairs to establish a task force with membership including representatives of nonphysician health care professional disciplines to examine this issue and to submit a report to the Congress by June 15, 1984, with recommendations for improving nonphysician morale including enhanced career incentives and responsibilities.

Certified nurse-midwives.—The Committee is pleased with CHAMPUS' efforts to work closely with representatives of the nursing profession in order to insure that services of certified nurse-midwives will be readily available to beneficiaries. The Committee is concerned that CHAMPUS does not recognize birthing centers—that is, organized groups of certified nurse-midwives—as authorized providers. Systematically, utilizing certified nurse-midwives should result in a savings from 33 to 66 percent, and there is no apparent evidence that nurse-midwives provide lower quality care. The Department is, therefore, directed to establish a procedure which will allow nurse-midwife administered birthing centers to be authorized providers. The Committee recommends allowing the various State licensure agencies to make the formal deter-

mination as to what should be considered appropriate standards for birthing centers within their jurisdiction.

Liver transplants.—The Committee is aware of the considerable interest regarding CHAMPUS reimbursement for liver transplants in children. The Committee is also quite concerned about the long-term potential costs involved. The present average cost per operation is $150,000. The Department of Defense has projected that the annual cost for liver transplants would be $12,500,000 under the current legislation. The Committee directs the Department to provide a detailed report on this matter by March 15, 1984. This report should include discussion of the possibility of the Department establishing one particular military facility that would specialize in organ transplants so that dependents who need these types of operation could be served in a cost-effective manner.

Quality of care.—The Committee is pleased with the extent to which the Department of Defense has taken steps to insure that only the highest quality care would be provided. The Committee remains concerned on two related matters. The Department appears to insist that physicians *per se* are appointed commanders of military health care facilities rather than selecting the most qualified administrator. The Committee will request that the General Accounting Office examine this issue. The Committee is also concerned that health care providers who provide hands-on services to patients should be licensed or certified by an appropriate State agency. The Committee directs the Department to reconsider its position on requiring licensure/certification for its active duty health care providers and to report to the Committee by March 15, 1984.

Dental benefits for children.—The Committee questions whether current dental benefits provided to the children of active duty military are adequate, but hesitates to recommend funding to increase this benefit without further study. Therefore, the Committee directs DOD to examine dental benefits for children of active duty military and report to the Committee by June 30, 1984. This report should address several points including the current level of dental care received by the children of active duty military as it compares to that received by children of private and other public sector employees; the need to expand this benefit and the costs associated with any increased coverage; and other possible recommendations by DOD to meet the requirement for dental care at the lowest possible cost to the Government. This last point should include the possible adoption of a high option approach similar to that available to other Government employees in which the military member and the Government would share the cost of the dental care.

CHAMPUS COST CONTAINMENT

In reviewing the recommendations of the President's private sector survey of cost control and the Department's feasibility study for a Defense Health Agency, it becomes clear that one cause of the escalating costs of health care within CHAMPUS and the Department is a lack of budgetary accountability. It does not appear to be anyone's specific re-

sponsibility within the Department to insure that cost containment efforts are instituted. In addition, Defense health care programs are being adversely impacted by the escalation of health care costs within the private sector. In 6 years the cost of CHAMPUS has increased from $556,000,000 to $1,400,000,000. The total health related costs in DOD are nearly $8,000,000,000. The Committee is aware that selected cost savings initiatives were implemented by the Department and that these actions avoided a fiscal year 1983 reprograming requirement for CHAMPUS; however, the Committee believes that the Department needs to take additional measures to curtail unnecessary cost expenditures. Accordingly, the Committee has proposed several initiatives which it believes will make a significant dent in health care costs, and will improve the quality of care for military personnel and their families.

Coordinated benefits with third-party payers.—Currently, CHAMPUS requires beneficiaries to use other health insurance benefits prior to billing CHAMPUS for care received. The Committee understands that if nonactive duty recipients of health care from on-base military facilities who have private insurance coverage are required to bill their own insurance—third-party payers—to pay for care received there would be a potential recoupment to the Department from $437,000,000 to $1,750,000,000 over a 5-year period. The Committee directs the Department to identify the necessary steps to implement changes to insure full recoupment from various third-party payers for care provided to nonactive duty personnel in all military health care facilities. The Committee further requests a report on this directive by June 1, 1984. This matter will be addressed during the fiscal year 1985 deliberations.

Military facilities copayment charge.—Pending further study, the Committee has reluctantly deferred a recommendation to charge a $10 copayment fee to nonactive duty beneficiaries for outpatient visits at military treatment facilities. Last year the Committee noted that CHAMPUS beneficiaries were required to pay an annual $50 fee, as well as an average of $14.80 for each outpatient visit. If the same individual used on-base facilities, there was no charge. In fact, many military treatment facilities provide free nonprescription medicine and treatment of very minor medical problems. This system can make it advantageous to go to the clinic or dispensary instead of the drug store. The administrative costs associated with these activities increase the cost of health care and further aggravate already crowded facilities.

One possible solution to this problem is to institute a user fee for outpatient visits. Acting on a Committee directive, DOD reported on this issue in June 1983. DOD stated that a user fee would save millions of dollars, would reduce demand and was feasible. Yet, it did not endorse a fee at that time. Other studies have also been conducted on this subject. A 10-year study by the Rand Corp. stated that a copayment fee would not prevent beneficiaries from receiving necessary care unless they were at the poverty level defined as a family of four earning less than $7,000 annually. The Grace Commission recommended implementation of an outpatient fee for nonactive duty beneficiaries.

Despite this evidence, the Committee remains concerned that a $10 user fee would have a negative effect on the health care of families of junior enlisted personnel. Nonetheless, the costs of health care and the inefficiencies of the present system strongly suggest that DOD should consider some type of user fee approach. Therefore, the Committee directs DOD to reexamine this issue and report to the Committee by July 1, 1984. DOD should address the problems of congested facilities and propose cost-effective changes to alleviate overcrowded facilities; the need for free medical care for all military personnel and dependents, particularly those senior enlisted and officer personnel; the positive benefits of a user fee approach; and other possible approaches that DOD would recommend to eliminate unnecessary visits to clinics and hospitals in cost-effective manners.

The Committee would like it to be clear that it will reconsider user fees in fiscal year 1985 if this study by DOD does not adequately address the problem and provide feasible and cost-effective alternatives to the current system.

Delay upgrading of individual provider fee profiles.—The Committee has recommended bill language allowing the Department of Defense to delay upgrading the base period to determine CHAMPUS reimbursement from the present once a year requirement. This proposal is consistent with the administration's efforts to slow down the rate of inflation in health care costs under the medicare program and is estimated to save the Department $20,000,000 to $25,000,000 during the next fiscal year.

Care in medical facilities.—Both the President's private sector survey on cost control and the Department's Defense Health Agency feasibility study state that considerable unused capacity at the various military health care installations could be used to provide care that would otherwise be reimbursed by CHAMPUS. In fiscal year 1983, approximately 55 percent of CHAMPUS expenditures were for beneficiaries who lived within a designated catchment area. Both reports stressed that those who make the determination as to whether to issue the required certificate of nonavailability have no budgetary incentive to deny any certificates since the service budgets and the CHAMPUS budget are separate.

Last year the Committee directed the Department and CHAMPUS to restrict tightly the issuance of these certificates and to maximize the on-base caseload. The Committee again directs the Department and CHAMPUS to increase their efforts to restrict the issuance of certificates on nonavailability and to more fully utilize the existing capacity at military installations. Further, the Committee urges the Department to consider utilizing a closed enrollment approach under which an identifiable number of beneficiaries would receive all their care from a designated base facility. This approach should allow the base commander to budget more accurately for health care needs and result in less waiting time for the beneficiaries since the daily workload would be more predictable.

CHAMPUS reductions.—The House allowance reduced the CHAMPUS budget request by $110,000,000 based on cost avoidances

in fiscal year 1983 which will continue in fiscal year 1984. The Committee recommends $1,351,300,000 for CHAMPUS, the same as the House allowance.

The Committee believes that management reforms initiated by DOD in fiscal year 1983 to control the costs of CHAMPUS in addition with those contained in this bill will allow CHAMPUS to meet its requirements within this lowered allowance.

FEDERAL EMPLOYEE INJURY COMPENSATION SYSTEM

Since the fiscal year 1979 Defense Appropriation Act, in each successive year the Congress has adopted a provision to limit payments that the Department of Defense may make to the Department of Labor for the Federal employee injury compensation fund. These provisions are included to curb the excessively large percentage increases for such payments from year to year. The attempt has been to reduce the amount paid by the Department of Defense for injury compensation to an amount equal to the average cost increase of direct labor for that year. Payments will be constrained to $225,400,000, a reduction of $60,900,000 from the request, which allows for inflation from the fiscal year 1983 level. Section 732 of the bill contains this limitation.

AUDIOVISUAL SERVICES

The Committee concurs with the House to hold funding for audiovisual services to the fiscal year 1982 level, thereby reflecting a savings of $10,000,000. The Secretary of Defense directed the military services and agencies to attain these spending goals subsequent to the submission of the fiscal year 1984 budget request.

STOCK FUNDS

The current request includes $2,799,074,000 for war reserve material and peacetime operating stock requirements for each of the military service and agency stock funds. This is an increase of over $1,800,000,000 from the fiscal year 1983 funding level. The Committee recommends a reduction of $335,000,000 apportioned in the Navy and Air Force accounts as reflected later in this report.

In part, the request reflects congressional direction last year to budget for increases in stock requirements through requests for direct appropriation rather than through adjustments to stock fund rates buried in the various military service operating budgets. The Committee has sought this degree of budget visibility for some years and is gratified that this goal has been attained. Concomitantly, such requests are expected to be justified based on validated requirements. In this regard, the current request fails to substantiate the need for such large increases in peacetime operating stock levels.

In addition to budgeting for war reserve material, the request include funding for peacetime stock inventory building to meet the needs of expanding force level of aircraft, ships, and other weapon systems. However, the Department has failed to demonstrate an ability to accurately estimate spares consumption patterns and has assumed a force

expansion in excess of the levels thus far approved by Congress. Therefore, the Committee recommendation is based, in part, on actual force level trends and modernization lower than projected by the Department of Defense. In addition, savings above budgeted levels are expected from increased competition for spare and repair parts procurement. While the stock funds are not subject to authorization, the recommended allowance is $55,000,000 below the level instructed by authorization.

LEGISLATIVE LIAISON AND PUBLIC AFFAIRS ACTIVITIES

The Committee concurs in the House recommendation to limit funding for legislative liaison and public affairs activities below budgeted levels. The ceilings of $9,500,000 for legislative liaison and $34,200,000 for public affairs provide a margin of growth to accommodate the fiscal year 1984 pay raise for civilian and military personnel. This recommendation permits an aggregate savings of $2,600,000 from the request as reflected in the various operating account adjustment tables.

DEFENSE TRAINING DATA CENTER

This Committee has learned that the Secretary of Defense has endorsed a fiscal year 1982 Defense Science Board summer study recommendation to create a Defense Training Data and Analysis Center. The Center, located in Orlando, Fla., will serve as the repository of defense training related information incuding training effectiveness, individual and unit performance, training, and trainer costs. We strongly support this initiative and encourage the Department to expedite and fund this critical project as quickly as possible. The Defense Department should provide a status report on the Center's development by April 1, 1984.

SEALIFT CARGO RATES

A reduction of $25,000,000 is recommended, in agreement with the House allowance, based on improved competition for sealift cargo transportation. Over the last 6 months cargo rates for North Atlantic shipments alone have dropped nearly 50 percent. The recommended allowance reflects projected savings from continued competition.

PRODUCTIVITY IMPEDIMENTS

Congress has consistently supported the position that Defense civilian employment levels should be tied to a finite measurement of workload discounted by productivity improvement factors. The Committee is disturbed by a trend which appears to be eroding the sources of productivity improvements.

Nearly 96,000 DOD personnel in supervisory positions are responsible for creating and implementing productivity measures which should reduce the total number of personnel required to perform tasks. Current position classification guidance from the Office of Personnel Management dictates, in part, that supervisory grade levels are determined by the number of personnel supervised. This linkage appears to be

creating a disincentive to productivity, because the impact from employing a procedure or technology to decrease personnel needs yields a potential grade demotion to the supervisor responsible for implementing the innovation. The Committee feels that grade criteria should enhance, not deter, ideas to improve productivity. The Secretary of Defense is expected to submit a report to the Committee by May 1, 1984, which analyzes the impact of this administrative regulation. This assessment should be derived by input from each of the military service departments and defense agencies.

The Department is directed to discontinue the use of procedures which establish civilian grade levels based on numbers of personnel supervised. The Committee intends to review this matter during its deliberations on the fiscal year 1985 budget request.

CIVILIAN PERSONNEL CEILINGS

The Committee recommends agreement with the House to prohibit the use of ceilings on civilian personnel levels at industrially funded activities. Section 776 of the bill contains the prohibition. This continues the position approval by Congress in the fiscal year 1983 appropriation act. Ceilings artificially constrain accomplishment of work which must be performed at Government industrial activities. DOD should responsibly budget for personnel levels equating to budgeted workload at Government industrial activities. This eliminates the high cost of excessive overtime, temporary employees, additional rework, and training programs through greater employment stability.

Concurrently, the Committee believes that defense work which can be accomplished by the private sector should be contracted. It is the Committee's intention to monitor the effects of this provision to assure that it is not used to justify the assignment of workload at Government industrial activities simply to match the civilian personnel level assigned. This development would abuse the purposes for which this provision is intended and would surely force a reconsideration of its continuance in future years.

JCS UNIFIED AND SPECIFIED COMMANDS

The House has proposed the transfer of operating funds for JCS Unified and Specified Commands from the individual military service accounts to the Joint Chiefs of Staff line in the Defense agencies operating account. Traditionally, the military services have acted as executive agents for financial matters related to JCS Command headquarters activities. This has proved to an efficient management system since the duplicative cost of overhead at each of the headquarters to administer these funds is avoided.

Although the Committee does not recommend concurrence with the House funding transfer proposal, it shares the concern that the Organization of the Joint Chiefs of Staff (OJCS) should have a more active role in resource allocation. The Armed Services Committees are currently engaged in an extensive examination of the Joint Chiefs of Staff role and proposed reorganization plans. One of the most conclusive

preliminary findings thus far is the OJCS acts in a purely advisory role in the determination of future budget programs. As a first step to strengthen resource management responsibilities, an element of the OJCS should have resource review capability. In this regard, the Committee concurs in the House position to direct the transfer of 20 end strength to the OJCS. These personnel should form the core of an OJCS element dedicated to programing and budgeting system review to enhance JCS participation in defense resource allocation.

TRANSPORTATION OF HOUSEHOLD EFFECTS

Bill language has been included in every Appropriation Act since 1979 prohibiting the establishment of a so-called competitive rate program for shipment of household goods to and from Alaska and Hawaii. Section 802 of the bill continues this prohibition. Committee direction has consistently been that the Department should treat the shipment of household goods between Alaska, Hawaii, and the lower 48 States in the same manner as interstate shipments between the lower 48 States. This direction has not been implemented, and the Military Traffic Management Command continues to treat Alaska and Hawaii under entirely different criteria.

A request for proposal for Alaska and Hawaii shipments between April 1 and September 30, 1984, will be released shortly. The Military Traffic Management Command is directed to structure this RFP in a manner commensurate with criteria for shipments between the lower 48 States.

The Defense Inspector General plans to release a report on the issue this fall. To avoid a continued impasse on this matter, it is the Committee's intention to recommend implementation of these findings in the fiscal year 1985 deliberations.

UNEMPLOYMENT COMPENSATION

The request includes over $223,000,000 for unemployment compensation to former Defense Department civilian and military personnel. The Department of Labor advances bills to DOD for reimbursement of claims received from State governments. However, the DOL formula used by DOD to develop budget estimates does not seem to bear any relationship to actual cost experience. The first quarter 1983 actual billings of $13,945,000 for civilian personnel costs exceeded the budget estimate for the entire fiscal year. Conversely, fiscal year 1982 actual obligations for these costs were less than $9,000,000. Prior year budget requests have included funds for civilian personnel costs only. Beginning in fiscal year 1984 the budget request includes nearly $200,000,000 for military personnel unemployment compensation payments.

Section 787 of the bill is recommended to confine the amount of DOL reimbursement to $203,322,000. This is a reduction of $20,500,000 from the budget estimate, in agreement with the House, reflected in the military personnel account tables of this report. Coincident with this limitation, the Department of Defense is directed to initiate procedures with the Department of Labor to account for compensation billings

through the identification of the DOD installation of last employment for each recipient. In turn, DOD should begin budgeting for such costs at the installation level.

While the allowance provides funding essentially at the budgeted rate, the Committee is concerned about these burgeoning increases for unemployment compensation, particularly in view of the new employment of over 1,500,000 DOD personnel in the last 3 years. The Committee directs the Department of Defense to review the eligibility criteria for DOD civilian and military personnel and report its findings, to include recommended legislative action, to the Committees on Appropriation by March 1, 1984. This report should also outline procedures for implementing a system to account for such payments at the installation level.

ADP EQUIPMENT

The Committee does not concur in the House proposal for financing ADP equipment through an acquisition revolving fund. The addition of $150,000,000 is offset by a reduction of $680,000,000 in the House allowance. Potentially, this innovative financing alternative could dramatically improve the Department's management of ADP services and acquisition. However, this proposal should be deferred to permit a thorough evaluation.

The Committee shares the House conviction that DOD must improve its computer hardware and general purpose ADP management. Recent GAO audits contend the current methods for ADP acquisition are predominantly the least cost-efficient alternatives. In part, this condition is driven by the budgeting system. Decisions to lease or acquire ADP equipment seem to be guided more by the availability of either operating or procurement funds rather than by cost-efficiency standards. Clearly, the type of funding available should not dictate the contractual method. As a remedial action, the House proposal to permit either lease or purchase of ADP services through a revolving fund would motivate contractual decisions based on cost efficiency, independent of artificial constraints. The Committee intends to examine this proposal during its deliberations on the fiscal year 1985 budget request.

EXCESS AND SURPLUS PROPERTY

The Committee does not concur in the House recommendation to impose a $500,000,000 reduction based on assumed savings from improved property management. The Committee shares the House commitment to pursue specific and innovative proposals to encourage better management of Department of Defense financial resources. When presented with such proposals the Committee will respond accordingly with thoughtful consideration.

YEAREND O&M SPENDING

The House recommended a reduction of $74,000,000 to curb wasteful yearend spending practices. Countless audits have documented instances where obligations for unnecessary purchases have been recorded at the

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end of the fiscal year simply to avoid funding expiration. These examples of fiscal irresponsibility should not be condoned, but the House position does not lay the groundwork for remedial action to correct the problems. The Committee is confident that the recently expanded DOD Inspector General's staff will be successful in ferreting out these wasteful spending practices in fiscal year 1984 and, for this reason, does not recommend the proposed general reduction.

COMPUTERIZED FLIGHT PLANS

The House reduction of $50,000,000 in the Air Force and Navy to reflect potential savings from the acquisition of commercial services to calculate the most cost-efficient flight plans is not recommended. General Accounting Office and internal DOD audits document significant savings from using commercially available computerized flight plans. But, while the Committee supports the House position to encourage the use of this cost-saving measure, an implementation period will be required before savings are realized. The Committee expects DOD to use computerized flight plans wherever possible and reflect these savings in the fiscal year 1985 budget request.

CONSOLIDATED OPERATIONS

The House expects savings of $75,000,000 from greater interservice use of base operations support and depot maintenance services. The Committee agrees that duplication of base and industrial capability is not cost efficient. However, the House savings estimate cannot be validated. The recommended allowance reflects an authorized reduction of $9,400,000.

REAL PROPERTY MAINTENANCE

Fiscal year 1983 costs for real property maintenance were below budgeted rates due to strong competitive bidding for maintenance contracts. Although the House allowance reflects a reduction of $26,100,000 resulting from these savings, the Committee recommends approval at the fiscal year 1984 budgeted rate to permit savings application to maintenance backlog reductions.

MANAGEMENT HEADQUARTERS

Section 1214 of the Department of Defense Authorization Act, 1984, directs a 5-percent reduction below the level contained in the request for military and civilian personnel levels assigned to management headquarters staff. This limitation would provide an additional 1,400 spaces for the Defense Contract Audit Agency and the naval supply system. Realinement of funds for these purposes is not recommended in this allowance. The Committee believes the Department of Defense should contain personnel levels assigned to headquarters and concentrate more personnel in the undermanned industrial, supply, and engineering activities. However, there is a correlation between the dramatic growth in contract management support services over the years, and stabilized personnel levels at management headquarters activities. Without a specific

targeting of reductions to headquarters, the Committee fears that any general limitation on personnel levels will simply force an increase in contract management services.

With this premise, the Committee recommends a specific reduction of $12,000,000 to be applied to the Air Force Systems Command and the Chief of Naval Material Command Headquarters as detailed in the appropriate sections of this report.

The reduction to the Air Force Systems Command and its field activities also includes a transfer from the R&D account. This is the first of a series of actions to be considered by the Committee during fiscal year 1985 to move the cost of Government personnel overhead out of the R&D account where it has been essentially uncontrolled, and record such costs in operating accounts like most other DOD management activities. There is a headquarters redundancy between the Systems Command and the Logistics Command which should be remedied due to this action. Systems Command establishes project offices for management of aircraft and weapon systems in development and production. But many project offices remain in existence long after the aircraft have been delivered to the operational control of the Logistics Command. For example, the B–52 aircraft have been out of production longer than the age of some of the personnel in the still existing Systems Command B–52 acquisition office. The Committee is confident that a careful review of these areas will produce the outlet for applying the recommended reduction.

Over the last 2 years, the Chief of Naval Material Headquarters has decreased nearly 300 spaces through the transfer of functions to other existing management structures. This personnel reassignment effort is a positive sign, but the Committee is pursuaded that additional reductions can be achieved. Authoritative testimony advocating the disestablishment of the headquarters, suggested by the former manager of the Naval Material Command nuclear programs, should be the framework for further personnel transfers.

During its review of the fiscal year 1984 request, the Committee examined the structure of the Department's acquisition management organizations. Basic organization theory would suggest the identification of a common thread between management structures with an essentially common purpose. However, the Committee failed to understand the rationale for uniquely different organizations for acquisition management in each of the military services. The Committee has requested the General Accounting Office to review the management structure, personnel requirements, and subordinate activities of the Army Material Development and Readiness Command, Naval Material Command, and Air Force Systems Command and report to the Committee on its findings and recommendations for applications of the most efficient elements across each of the management organizations.

DRUG INTERDICTION PROGRAMS

In recent years the Department of Defense has played a more active role in the interdiction of drug smuggling in the United States. Through cooperation with Federal, State, and local law enforcement agencies, the military services have assisted the drug interdiction effort during regular training exercises. In order to facilitate continued cooperation in this mission, the Committee had added an allowance of $10,000,000 to the Navy operating account to cover unbudgeted but programed reconnaissance flying hour costs.

Further, the Committee directs the Navy to conduct a 1-year test program with the Coast Guard to examine the utility of the six PHM hydrofoil ships in the drug interdiction program. These vessels should be periodically detailed to Coast Guard activities on the Mississippi Gulf Coast. Since the Committee allowance provides sufficient funding in the Navy operating account for these ships, the Navy will retain the fiscal responsibility during the 1 year test program and conduct limited evaluations and trials as budgeted. The Committee expects a report from the Department of Defense and Coast Guard not later than September 1, 1984, which evaluates the performance of the ships during the 1 year test and recommends future assignment.

In addition, the Air Force shall, within funds available, modify not less than three P–3A aircraft with F–15 intercept radars before transfering the aircraft to the U.S. Customs Service. The fiscal year 1985 budget request should include sufficient funding to modify the remaining two P–3A aircraft planned for transfer, and replenishment of F–15 radar inventory requirements.

By January 1984, the Army is expected to transfer four Black Hawk helicopters to the U.S. Customs Service. The Committee will consider replacement of these aircraft in the Army inventory during its fiscal year 1985 budget request deliberations.

ENERGY CONSERVATION

It has come to the attention of the Committee that the Department of Defense is not taking full advantage of available technology in order to conserve energy and thereby reduce facility operating costs. For example, at Grand Forks Air Force Base, a $400,000 project to install an energizer system was canceled in the best interest of the Government. This energizer could have saved approximately $876,000 in fuel in the first year alone. The Committee believes that going ahead with that project would have been more in the best interest of the Government than canceling. For another example, the U.S. Army Facilities Engineering Support Agency agrees with studies that show a 9-month payback in fuel savings when ceiling fans are installed in high ceilinged buildings.

The Secretary of Defense, for the purpose of improving energy conservation, is directed to acquire and install energy conservation devices in the existing energy systems of facilities operated and maintained by the Department of Defense. Any energy conservation device shall be of U.S. manufacture, and reliable research shall have determined that the

actual operation of such devices in any facility will result in a first-year energy cost saving at least equal to the acquisition and installation cost of such devices. First-year energy cost saving means the difference between the estimated cost of operating such energy system for a 12-month period without such energy conservation devices as a part of the system and the estimated cost of operating such energy system for the same 12-month period with such energy conservation devices as part of the energy system.

DOMESTIC COAL

The Committee reiterates its longstanding support for the expression of the intent of the Congress that U.S. anthractie and bituminous coal be used at defense installations in Europe, and in the current context, on an expanded basis.

The recent international security incidents which reflect the continuing importance of strategic military installations such as those in Europe bring to the forefront a corresponding concern for adequate and secure logistical support systems. The continued use at U.S. Army, Europe installations and other defense areas under its command of non-U.S. energy supply, such as natural gas from the Soviet Union and oil from the Persian Gulf and Middle East, is becoming a matter of serious concern.

The Army Corps of Engineers has stated the need for conversion, replacement, or consolidation of hand-fired antiquated coal heating installations and older oil facilities as well. A revised energy policy at USAREUR in the direction of U.S. coal is required at this time.

The Committee directs the Department to conduct within available funds a study, to be completed by a U.S. engineering firm within 4 months on the feasability of replacing the necessary equipment at USAREUR to establish coal as the major energy source.

GUARD AND RESERVE MISSIONS

The Committee continues to recognize and support the valuable contribution of the Guard and Reserve components, including their role in military airlift. This is a mission area which is largely shared between the Active Force, the Reserve Force, and the Civil Reserve Air Fleet (CRAF). Today, the CRAF provides nearly one-half of our strategic airlift capability with the Air Reserve Forces and the Active Forces sharing about 25 percent each of the total strategic airlift capability.

The Committee is concerned that future airlift assets to be gained in the mid-1980's are properly balanced between the Active, Guard, and Reserves to achieve economy of operations while being totally capable of accommodating worldwide contingencies. Current plans call for the transfer of strategic airlift capability into the Reserve Force structure as the C-5B and C-17 aircraft are acquired. Sole possession of an aircraft type by any Reserve force is not practical in terms of wartime responsiveness and aircrew training. However, as an initial step the Committee directs the Air Force to develop plans to assign at least one C-141 squadron to the Air National Guard and one to the Air Force Reserve.

Further, the Air Force is directed to provide the Committees on Armed Services and Appropriations by June 30, 1984, with its plan for phasing additional strategic airlift, including the C–5B, C–17, and C–141, into the Reserve Forces.

Operation and Maintenance, Army

1983 appropriation	$15,853,615,000
1984 budget estimate	17,655,800,000
House allowance	16,737,284,000
Committee recommendation	17,334,571,000

The Committee recommends an appropriation of $17,334,571,000. This is $321,229,000 below the budget estimate, and $597,287,000 above the House allowance.

This appropriation provides for the activities of the active Army, including the pay of civilian personnel, operation and maintenance of aircraft, equipment and bases, training, direct care medical programs, and all associated activities.

SUMMARY OF COMMITTEE ADJUSTMENTS

Committee adjustments to the budget estimate and the House allowance, including those not specifically addressed in this report, are summarized in the following table:

[In thousands of dollars]

	House allowance	Committee recommendation
Civilian pay raises		+ 170,900
Real property maintenance	3,000	
Industrial plant equipment	- 162,500	- 43,200
Foreign currency	- 116,442	- 82,759
Base operations consolidation	- 21,400	- 2,000
Consultants	- 7,100	- 7,100
Leasing vehicles	- 2,100	
Legislative liaison	- 200	- 200
Public affairs	- 1,100	- 1,100
Audiovisual	- 2,950	- 2,950
Army rug factory	- 4,900	
MSC cargo rates	- 5,000	- 5,000
Methods and standards	- 4,400	- 4,400
Federal employees compensation fund	- 12,200	- 12,200
Supply, maintenance and training	- 8,600	- 8,600
BOQ furniture		- 8,000
Fielded systems maintenance	+ 50,000	
Telephone system	- 4,300	- 4,300
Defense data network	- 5,000	- 5,000
Year-end spending	- 18,000	
Tactical vehicle repair	- 7,500	- 7,500
Environmental fund transfer		- 13,700
CINC headquarters transfer	- 10,129	
Stock fund accounting change	- 75,000	- 75,000
Interservice depot maintenance	- 5,000	
ADP programs	- 138,000	- 15,000
Civilian end strength	- 76,500	- 76,500
Force modernization	- 25,000	- 25,000
Hawk missile training	- 10,000	- 10,000
Excess/surplus property	- 98,500	
Hazardous cargo shipments		- 1,000

[In thousands of dollars]

	House allowance	Committee recommendation
Civilian personnel office consolidation		-6,000
Military end strength	-3,300	-3,300
European troop strength	-2,000	-2,000
Improved military retention	-34,000	
Shippers Association	-800	
Recruiting and advertising	-10,000	-10,000
ACES	-1,000	
Special training	-5,000	-5,000
Tactical radio repairs	-8,000	-8,000
Real estate leases	-5,000	-5,000
Payment discounts	-3,000	-3,000
Base transportation	-3,000	-3,000
Transportation, Europe	-7,000	-7,000
Coal operations, Europe	-10,000	-10,000
Postal service, Europe	-3,000	-3,000
Commercial activities	-10,000	-10,000
C-12 leasing	1,000	
Classified programs	-5,895	-4,820
Family advocacy program		-1,500

COMMITTEE ADJUSTMENTS

Force modernization.—The Army estimates the cost associated with fielding new weapons systems will be on the order of $1,600,000,000 in fiscal year 1984. These are incremental costs above current expense to operate systems which have been fielded for a number of years. The driving factors are the average cost per system and the number of systems to be fielded.

Since the budget submission the Army has determined that the cost of force modernization in fiscal year 1984 may be understated by as much as $300,000,000. While the Committee has been unable to validate this shortfall, independent assessments from the Congressional Budget Office indicate the budgeted program level does equate to an achievable budget execution plan. This is in sharp contrast to prior year overbudgeting trends resulting from poor cost and fielding estimates. The Committee reluctantly recommends a reduction of $25,000,000 in conformance with authorization.

The formula for budgeting force modernization costs will eventually encompass a preponderance of the operating budget once new systems comprise the majority of the fielded weapons. To avoid this circumstance, the Army should revise the budgeting formula for force modernization. Fifty-five major systems account for most of the force modernization budget. These 55 systems costs should be budgeted separately, by system, to include all operating costs rather than incremental costs above existing systems to be replaced. The Committee expects the fiscal year 1986 budget request to be structured in this manner. In the interim, a separate exhibit to accompany the fiscal year 1985 submission should display costs in this manner.

BOQ furniture.—The Committee recommends a reduction of $8,000,000 for bachelor officers quarters furniture. The budget requests a 65-percent increase for furniture purchases above the fiscal year 1983 rate.

The Army typically procures furniture at the end of the fiscal year based on available balances in the operating accounts, not on the requirements. The allowance provides funding at the fiscal year 1983 rate adjusted for inflation.

Civilian personnel office consolidation.—In April the Army announced plans to consolidate 24 civilian personnel offices beginning in March 1984 with initial savings of $6,000,000 expected, and reflected in the allowance.

Maintenance of existing systems.—The House added $50,000,000 based on a concern that existing Army weapon systems are not being supported adequately because budget priorities are being directed toward new system fielding. The Committee allowance supports the budget request because little evidence was found to support the House conclusion.

Hazardous cargo shipments.—The Committee recommends a reduction of $1,000,000 from the request for transportation of hazardous and sensitive cargo shipment costs. The General Accounting Office found the Military Traffic Management Command criteria failed to consider the most economical transportation service and requests for contract proposals were not adequately advertised to promote maximum competition for such shipments. The Committee expects the implementation of GAO's recommendations to improve the Military Traffic Management Command's carrier selection process and to demonstrate its fairness in distributing cargo, and, particularly, to require comparative cost analyses of air taxi and competing transportation modes for all small lots of hazardous and sensitive cargo shipment contracts.

Factory lease.—The Army's request to lease a facility in Germany in advance of purchase was denied in the House allowance. The proposed purchase requires military construction funding and has not been resolved. Therefore, the Committee allowance supports the request.

POMCUS sets 5 and 6.—The allowance includes funds for pre-positioning of materiel configured in unit sets (POMCUS) 5 and 6 at the budget request. However, the Committee continues to have reservations about filling POMCUS sites with modern equipment and material at a time when the fielded Active and Reserve Forces are struggling to modernize. Therefore, the Committee recommends agreement with the House general provision, section 768, to prohibit the filling of POMCUS sets 5 and 6 until 70 percent of the Active Army and 50 percent of the Reserve units authorized equipment needs have been met. In agreeing to this provision, it is the Committee's intention to accommodate the fielded Active and Reserve units before equipment is diverted to POMCUS warehouses.

In addition, the Committee supports a further qualification in the bill which prohibits the Department of Defense from negotiating any further agreements to pre-position equipment beyond six division sets without the specific approval of the Congress. This bill language is born of the frustration that the Department has committed the Congress to financially supporting POMCUS in Europe for six division sets of equipment before policy approval was granted. This commitment has severely

limited the options to meet other worldwide contingencies on a timely basis.

Army Stock Fund

1983 appropriation	$221,138,000
1984 budget estimate	408,600,000
House allowance	379,400,000
Committee recommendation	408,600,000

The Committee recommends an appropriation of $408,600,000, the same as the budget estimate and $29,200,000 above the House allowance.

This appropriation provides for the purchase of war reserve material. The Army Stock Fund purchases consummable items—repair parts, clothing, and other materials—and holds them for use in the event of an outbreak of hostilities.

Camouflage screens.—The Committee notes that the House report expresses concern about the lack of competition and the status of the industrial base for the production of camouflage screens.

The Committee applauds the language of the House report. Maximum competition between all possible sources of manufacturers has proven to be the best means to assure that the Department of Defense receive the best product at the lowest possible price.

In the instance case, the Army has procured camouflage screens over the past 10 years from a minority producer with excellent results. Presently the producer has a 3-year contract, and upon expiration of this contract, future procurements will be open to all qualified manufacturers. The Committee emphasizes the Army must assure that the current producer as well as all other qualified manufacturers be allowed to participate in the competition for followup production of camouflage screens.

Operation and Maintenance, Navy

1983 appropriations	$21,079,712,000
1984 budget estimate	22,601,600,000
House allowance	21,344,474,000
Committee recommendation	22,266,908,000

The Committee recommends an appropriation of $22,266,908,000. This is $334,692,000 below the budget estimate and $922,434 above the House allowance. This appropriation provides for the activities of the active Navy, including the pay of civilian personnel, operation and maintenance of aircraft, vessels, equipment and bases, training, direct care medical programs, and all associated activities.

SUMMARY OF COMMITTEE ADJUSTMENTS

Committee adjustments to the budget estimate, including those not specifically addressed in this report, are summarized in the following table:

[In thousands of dollars]

	House allowance	Committee recommendation
Civilian pay raise		+212,700
Tactical flying hours	+30,000	+20,000
Reconnaissance flying hours		+10,000
Industrial plant equipment	-265,100	-70,400
Manufacturing, methods and technology	-3,147	
LSD-28 ship operations	+18,300	+18,300
Foreign currency	-19,905	-35,000
Base operations consolidation	-10,600	-5,000
Off-duty volunteer education		-1,000
Specialized training		-5,000
Consultants	-18,300	-18,300
Leasing vehicles	-1,300	
Administration	-15,000	-15,000
Legislative liaison	-200	-200
Public affairs	-500	-500
NAVFAC	-15,000	-15,000
NAVSEA	-40,000	-40,000
NAVELEX	-25,000	-25,000
JVX project office	-2,050	
Shipyard security	2,500	2,500
MSC cargo rates	-15,000	-15,000
Medical end strength	-5,000	-5,000
Finance centers	-5,000	-5,000
Federal employees compensation fund	-33,800	-33,800
NAVPRO/Minneapolis	-1,000	-1,000
Telephone service	-5,000	-5,000
U.S.S. *New Jersey* labor rates	-9,400	-9,400
Okinawa overstaffing	-200	-200
Computerized flight plans	-15,000	
Year-end spending	-23,600	
Improper O&M buys	-25,000	
CINC headquarters transfer	-30,194	
Real estate leases	-5,000	-5,000
TACS crane ship	-10,800	
TAVB logistics ship		-10,000
Aircraft rework	-90,000	-50,000
Interservice depot maintenance	-10,000	
Overhaul management improvements	-31,000	-31,000
Contract overhaul savings	-100,000	
Ship overhaul backlog	+100,000	
Overseas banking	-2,500	-2,500
ADP leases	-182,000	-10,000
Leasing commercial property	-6,000	-6,000
Environmental Health Center	-1,000	-1,000
Civilian end strength	-38,100	-38,100
Tactical Flag Command Center	-5,900	-5,900
Training equipment maintenance	-8,000	-8,000
Other training support	-10,000	-10,000
Base closure	-1,000	-1,000
Payment discounts	-5,000	-5,000
Excess/surplus property	-178,400	
Military end strength	-14,800	-14,800
European troop strength	-400	-400
Improved military retention	-22,000	
Shippers Association	-300	
Recruiting and advertising	-5,000	-5,000
Tuition assistance	-700	
Trident C3 audits	-8,000	-8,000
CNM Headquarters		-5,000
Cruise missile program	-8,000	-8,000
Fleet commands and staff	-10,000	-10,000
CNO staff offices	-1,000	-1,000
Navy Secretary's office	-1,000	-1,000

[In thousands of dollars]

	House allowance	Committee recommendation
Air staffs	-1,000	-1,000
Ad hoc administrative functions	-5,000	-5,000
Military personnel command	-10,000	-10,000
Base operations	-15,000	-15,000
Other communications	-10,000	-10,000
Classified programs	-15,430	-5,592
Environmental fund transfer		-8,100
Family advocacy program		-2,000

COMMITTEE ADJUSTMENTS

JVX project office.—The Committee does not recommend agreement with the House reduction to the JVX project office. The budget request covers the cost to establish a project office to manage the development of the Navy portion of the joint tilt-rotor aircraft program. The House assumed the project would be dedicated exclusively to the program procurement which is not planned until the 1990's.

Industrial fund rates.—During the battleship *New Jersey* reactivation, the Navy decided to bill Long Beach Naval Shipyard labor costs to the shipbuilding account based on actual hours in lieu of the higher stabilized man-day rates established for the industrial activities. Since the Navy elected to obligate a lower labor rate for industrial work, the Committee must conclude that the Navy industrial fund rate was overstated and therefore recommends concurrence with the House reduction of $9,400,000.

TACS auxiliary crane ship.—The Navy is currently developing container ship modifications for off-load sealift capability in unimproved ports. The Committee recommends approval of budgeted operating and procurement funds for conversion of the second TACS crane ship. The House allowance denied operating funds for this purpose since testing of the first converted ship will not be completed until late fiscal year 1984 and the Navy has not fully justified its requirements for 11 such ships. The Committee agrees that the first modified ship should be fully tested prior to the obligation of funds for the second conversion. In addition, the Navy should reexamine its requirement beyond two crane ships and submit its findings along with the fiscal year 1985 budget request. In the Committee's view, the planned ship modifications are conversions to the basic characteristics to the vessels and, therefore, any future funding requests should be included in the shipbuilding account.

TAVB aviation logistics support ship.—The Committee recommends a reduction of $10,000,000 from the budget request to modify two vessels to transport Marine Corps avionics equipment to theater operations. While the concept is sound, this is the first increment of a program estimated at over $40,000,000 per ship which is excessive for a transport conversion. The Navy should reevaluate the modifications and, if necessary, budget for conversion or new construction funds in the shipbuilding account of a future budget request.

Overseas banking.—The Navy increased the budget request to cover profit losses of U.S. commercial banks operating at military installations overseas. Losses from declining interest rates which are not now expected to occur afford a savings of $2,500,000. To the extent that interest rate increases negate such savings, the Navy may reprogram for funding shortfalls.

LSD–28 ship operations.—A recommended addition of $18,300,000, in agreement with the House, provides for the continued operations of three LSD–28 class landing ship dock vessels through the fiscal year. The allowance conforms to the authorization.

Improper O&M purchases.—A House reduction of $25,000,000 was predicated on savings accrued by eliminating the purchase of items through the operating accounts which could be acquired with procurement funding. The Committee cannot validate the projected savings from this action and does not recommend a reduction.

Aircraft rework and repair.—The Committee recommendation conforms to the authorization. The House allowance assumes longer intervals between aircraft overhauls and repricing of overhaul costs. To the extent that excess funds accrue from additional airframes on extension, savings should be applied to component reworks.

Shipyard security.—The recommended allowance agrees with the House to add half of the authorized increase to improve security at public shipyards.

Tactical flying hours.—The recommended authorized $20,000,000 increase for tactical flying hours will improve the fiscal year 1984 level to approximately 84 percent primary mission readiness, or 1 percent better than the current rate. Additional authorized flying hour increases have been allocated to reconnaissance missions in support of drug interdiction programs as addressed elsewhere in this report.

Ship overhauls.—The recommended allowance reduces the budget request for ship overhauls by $31,000,000 as directed by the authorization which assumed improvements in work methods and labor standards at naval shipyards. The House recommends an additional reduction of $100,000,000 to reflect perceived savings in ship overhaul pricing. Fiscal year 1983 contract awards for ship overhauls appear to substantiate the House conclusion that savings above budgeted levels may materialize. However, an increase in change order costs and, in some cases, expansion of overhaul work packages appear to accompany the lower contract prices. Therefore, the Committee does not concur in the House reduction.

. The House proposal applies contract savings to the ship overhaul backlog and includes bill language directing the induction of an additional five ships to be awarded to private shipyards. The Committee fully supports an expanded ship overhaul program in fiscal year 1984, especially in view of projected limits to nuclear and complex ship overhaul capacity in later years. A similar proposal was seriously considered, but deferred to accept a higher priority industrial option. Since the House proposal hinges on expected contract savings, the Committee, reluctantly recommends against concurrence in the House addition and enabling bill language.

NAVY STOCK FUND

1983 appropriation	$354,372,000
1984 budget estimate	682,869,000
House allowance	634,069,000
Committee recommendation	632,869,000

The Committee recommends an appropriation of $632,869,000, this is $50,000,000 below the budget estimate and $1,200,000 below the House allowance.

This appropriation provides for the purchase of war reserve material and peacetime operating stock. The Navy Stock Fund purchases consumable items—repair parts, clothing, and other materials. The recommended reductions are addressed earlier in this report.

OPERATION AND MAINTENANCE, MARINE CORPS

1983 appropriation	$1,481,671,000
1984 budget estimate	1,554,900,000
House allowance	1,506,650,000
Committee recommendation	1,547,050,000

The Committee recommends an appropriation of $1,547,050,000. This is $7,850,000 below the budget estimate and $40,400,000 above the House allowance.

This appropriation provides for the activities of the active Marine Corps, including the pay of civilian personnel, operation and maintenance of aircraft, equipment and bases, training, and all associated activities.

SUMMARY OF COMMITTEE ADJUSTMENTS

All Committee recommended adjustments to the budget estimate, including those not specifically addressed in this report, are summarized in the following table:

[In thousands of dollars]

	House allowance	Committee recommendation
Civilian pay raise		+9,500
Industrial plant equipment	-4,000	
Base operations consolidation	-1,400	
Consultants	-1,700	
Civilian end strength	-2,300	-2,300
Base operations	-5,000	-5,000
Audiovisual	-250	-250
Federal employee compensation fund	-600	-600
Excess/surplus property	-12,100	
Okinawa overstaffing	-3,000	-3,000
Year-end strength	-1,500	
Military end strength	-4,200	-4,200
Improved military retention	-2,800	
Shippers Association	-100	
Recruiting and advertising	-2,000	-2,000
ADP lease/competition	-3,000	

Okinawa staffing.—The Committee recommends concurrence in the House reduction of $3,200,000 to staffing at Okinawa facilities. A recent Naval Audit Service report found, and the Department concurred, that

the Navy and Marine Corps activities were overstaffed by 160 employees.

Marine Corps Stock Fund

1983 appropriation	$11,812,000
1984 budget estimate	22,280,000
House allowance	20,780,000
Committee recommendation	22,280,000

The Committee recommends an appropriation of $22,280,000, the same as the budget estimate and $1,500,000 higher than the House allowance.

This appropriation provides for purchase of war reserve material. The Marine Corps Stock Fund purchases consummable items—repair parts, clothing, and other materials—and holds them for use in the event of an outbreak of hostilities.

Operation and Maintenance, Air Force

1983 appropriation	$16,916,076,000
1984 budget estimate	18,250,100,000
House allowance	17,057,746,000
Committee recommendation	17,871,056,000

The Committee recommends an appropriation of $17,871,056,000. This is $379,044,000 below the budget estimate and $813,310,000 above the House allowance.

This appropriation provides for the activities of the active Air Force, including the pay of civilian personnel, operation and maintenance of aircraft, equipment and bases, training, direct care medical programs, and all associated activities.

SUMMARY OF COMMITTEE ADJUSTMENTS

Committee adjustments to the budget estimate, including those not specifically addressed in this report, are summarized in the following table:

[In thousands of dollars]

	House allowance	Committee recommendation
Civilian pay raise		+132,000
Environmental fund transfer		-21,000
Industrial plant equipment	-123,600	-34,400
Manufacture methods and technology	-3,400	
F-111 damage repair	+15,000	
Foreign currency	-53,053	-33,780
Base operations consolidation	-13,800	-2,000
Consultants	-86,700	-38,100
Leasing	-900	
Legislative liaison	-200	-200
Public affairs	-200	-200
Audiovisual	-5,000	-5,000
Special operations helicopters	+800	
MSC cargo rates	-5,000	-5,000
Air Force Systems Command		+30,588
EDSA flying hours	-3,400	-3,400

[in thousands of dollars]

	House allowance	Committee recommendation
Federal employee compensation fund	-9,900	-9,900
Computerized flight plans	-35,000	
Year-end spending	-19,000	
CINC headquarters transfer	-71,649	
Stock fund accounting	-95,000	-95,000
Interservice depot maintenance	-10,000	
ADP leases/competition	-274,000	-50,000
MAC no-shows	-15,000	-15,000
Strategic Force personnel support	-2,200	-2,200
Civilian work-years	-900	-900
Civilian end strength	-10,300	-10,300
Minor construction threshold	-3,100	
Third country GLCM		-1,800
Excess/surplus property	-154,000	
Military end strength	-39,900	-39,900
European end strength	-3,900	-3,900
Improved military retention	-11,500	
Shippers Association	-600	
Parts procurement management		+15,000
LOGAIR-Alaska		+8,000
McConnell AFB repairs		+6,600
Recruiting and advertising	-7,000	-7,000
Base operations	-25,000	-25,000
T-39 aircraft program		-1,000
Real estate leases	-5,000	-5,000
Base closings	-3,500	-3,500
Federal catalog	-500	-500
Base transportation	-3,000	-3,000
MX facility design	-1,200	-1,200
Tactical flying hours	-15,000	-79,400
Space programs	-15,000	-15,000
Travel	-5,800	-5,800
Central supply	-15,600	-15,600
Weather service	-8,000	-8,000
Facility contract projects	-14,400	-14,400
Classified programs	-15,452	-13,352
Family advocacy programs		-1,500

COMMITTEE ADJUSTMENTS

Civilian operated civil engineer supply store.—The Committee seeks every way to reduce the cost of defense without impairing readiness. One possible way of accomplishing this purpose is to contract out certain services to the civilian sector. There are indications that an Air Force program called Civilian Operated Civil Engineer Supply Store (COCESS) significantly reduces the cost of base operations where it has been employed.

The Committee directs the General Accounting Office to conduct an independent, expedited assessment of the Air Force COCESS program, which should include, but is not limited to, an analysis of savings to the Government, if any, resulting from this program, and recommendations concerning the applicability of this program to the Army and Navy as well.

Alaska LOGAIR.—The Committee recommends an increase of $8,000,000 to implement a LOGAIR program for Air Force bases in Alaska. The Air Force operates an extensive commercial air transport

system called LOGAIR for its installations in the lower 48 States to supply critical parts, spares, and equipment on a timely basis. Resupply of parts and, in many cases, subsistence at remote Alaska installations are met primarily with military aircraft. Through the institution of a commercial LOGAIR program, military aircraft could be more effectively used for mission requirements. In addition, a program to utilize locally based commercial Civilian Reserve Air Fleet (CRAF) aircraft is a cost-efficient alternative and assures availability of commercial airlift assets in the event of hostilities. The Committee believes that cost efficiency is maximized through the selection of aircraft comparable to the lower 48 LOGAIR program. These outsized aircraft also afford the maximum utility in wartime airlift missions. The Air Force is expectd to report to the Committee on implementation details and begin the program not later than January 1, 1984.

Tactical flying hours.—The Committee recommends a reduction of $79,400,000 from the tactical flying-hour program to reflect revised aircraft inventory estimates and a slight decrease in the training objective. Since fiscal year 1981, flying hours have increased steadily from 16 hours per month per pilot to an objective of 20 hours by fiscal year 1985. The current request increases 79,000 hours or 19½ hours per month. The Committee supports the objective to attain higher pilot proficiency and readiness, but an enhanced flying hour program will consume more spare and repair parts. The Air Force has consistently testified to the deficiency of stock inventories and the inability to adequately support aircraft spare parts needs. The Committee allowance for spare and repair parts procurement supports the budgeted program within authorized limitations. The recommended allowance for flying hours still provides an increase in fiscal year 1983 to over 19 hours per month. In addition, the allowance is adjusted based on fewer aircraft deliveries than assumed in the budget request.

European distribution system aircraft.—Air Force budgeted flying hours for an average of seven new aircraft in fiscal year 1984. Current aircraft delivery data show an average of one aircraft for the year. The allowance reflects savings of $3,400,000 from delivery slippage.

MAC "no-show" passengers.—The Grace Commission found the Military Airlift Command loses money on commercial airline reservations when user activities fail to cancel reservations for "no-show" passengers. The Commission recommended that MAC charge a penalty billed to the military activity for all "no-shows." The Commission's savings estimate of $15,000,000 is reflected in the allowance, in agreement with the House.

AFSC transfer.—Funds to operate the Air Force Systems Command headquarters and subordinate activities are recommended for transfer from the R&D account to the operating account, as discussed previously in this report. A corresponding reduction is reflected in the R&D account.

McConnell AFB runway repairs.—The Committee allowance provides an additional $6,600,000 for repairs to the west runway at McConnell AFB, Wichita, Kans.

GLCM support.—The request includes $1,800,000 for support costs at a third ground launch cruise missile site. Since the deployment at this site is several years away, the Air Force has failed to justify the urgency for initial funding this fiscal year and the Committee recommends the request be denied.

Parts procurement management.—The Committee recommendation includes an additional $15,000,000 for approximately 700 civilian work-years for spare parts procurement management. Authorized limitations and other actions recommended by the Committee will require improved competition and management of spare parts procurements. Testimony indicates the Air Force has not concentrated its procurement management attention and contract administration skills in the area of spare and repair parts acquisition. The additional personnel funding is expected to be used to improve these shortcomings.

CT-39 replacement program.—The Air Force estimates savings between $9,400,000 and $31,400,000 from the recent lease contract award to replace the aging fleet of CT-39 executive style aircraft. Cost avoidance from canceled modifications and maintenance to existing CT-39 aircraft afford savings of $1,000,000 in the operating account and $7,500,000 in the procurement account as reflected in the Committee's recommended allowances.

Personnel support.—Concurrence in the House reduction of $3,100,000 from strategic force personnel support and work year increases is recommended to correct Air Force budgeting errors.

F-111 damage repairs.—The Committee does not recommend increases proposed by the House for F-111 aircraft damage repairs. The authorized allowance and justification are inadequate to recommend depot maintenance funding. If the Air Force considers this to be a program priority, the Committee will consider a reprograming.

Hydroelectric power.—The Committee is aware of the Air Force studies leading to proposed changes in contracts for delivery of the Air Force hydroelectric power allocations to Air Force bases and Minuteman missile complexes in six States—North Dakota, South Dakota, Montana, Wyoming, Colorado, and Nebraska. Since these contracts in many cases are more than 25 years old and affect many thousands of members of rural electric cooperatives and the ratepayers of municipal power authorities, the Committee insists that the Air Force provide it with the answers to questions it has received involving comparative costs and savings in the event these contracts are severed, the replacement power delivery system envisioned by the Air Force, the ability of the Air Force to reassign contractually assigned allocations, and the economic impact on other consumers which would occur with a radical change in these contracts. The Committee directs that the Air Force continue its studies in this regard, but take no further action in terms of contract cancellations and shifts in power allocations until it can demonstrate what net savings will be achieved over the traditional 10-year study period.

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Air Force Stock Fund

1983 appropriation	$161,600,000
1984 budget estimate	1,638,325,000
House allowance	1,241,225,000
Committee recommendation	1,353,325,000

The Committee recommends an appropriation of $1,353,325,000, which is $285,000,000 below the budget estimate and $112,100,000 above the House allowance.

This appropriation provides for purchase of war reserve material and peacetime operating stock. The purchases of consumable items—repair parts, clothing, and other materials.

The Committee's recommended changes to the Air Force stock fund request are discussed earlier in this report.

Operation and Maintenance, Defense Agencies

1983 appropriation	$5,715,778,000
1984 budget estimate	6,818,900,000
House allowance	6,501,838,000
Committee recommendation	6,584,744,000

The Committee recommends an appropriation of $6,584,744,000. This is $234,156,000 below the budget estimate and $82,906,000 above the House allowance.

This appropriation finances the operation and maintenance costs of the Office of the Secretary of Defense, the Office of the Joint Chiefs of Staff (JCS), nine Defense-wide agencies, and several field activities. Included are funds for American Forces Information Service, Civilian Health and Medical Program of the Uniformed Services (CHAMPUS), Tri-Service Medical Information System (TRIMIS), Dependents Education, Uniformed Services University of the Health Sciences (USUHS), and the Washington Headquarters Service.

SUMMARY OF COMMITTEE ADJUSTMENTS

Committee adjustments to the budget estimate, including those not specifically addressed in this report, are summarized in the following table:

[In thousands of dollars]

	House allowance	Committee recommendation
Civilian pay raise		+97,300
CINC readiness fund	-100,000	-100,000
Civilian end strength	-14,400	-14,400
Washington headquarters service	-5,000	-5,000
Base operations	-20,000	-20,000
DCAA auditors	+6,000	
Base operations consolidation	-900	
Consultants	-14,700	-14,700
Leasing vehicles	-400	
Foreign currency	-10,600	-8,288
Legislative liaison	-200	-200
Audiovisual	-1,800	-1,800
Federal employee compensation fund	-4,000	-4,000
Excess/surplus property	-6,850	
Environmental fund transfer		-16,200
CHAMPUS	-110,000	-110,000
Shippers Association	-1,800	
Year-end spending	-6,900	
CINC headquarters transfer	+111,972	
Stock fund accounting	-1,000	-1,000
ADP lease/competition	-83,000	9,300
Classified programs	-51,584	-36,568
Family advocacy programs		+10,000

Defense Stock Fund

1983 appropriation	$160,500,000
1984 budget estimate	47,000,000
House allowance	43,600,000
Committee recommendation	47,000,000

The Committee recommends an appropriation of $47,000,000, the same as the budget estimate, and $3,400,000 above the House allowance.

This appropriation provides funds for purchase of war reserve material.

Operation and Maintenance, Army Reserve

1983 appropriation	$705,584,000
1984 budget estimate	654,800,000
House allowance	687,630,000
Committee recommendation	677,100,000

The Committee recommends an appropriation of $677,100,000. This is $22,300,000 above the budget request and $10,530,000 below the House allowance.

This appropriation provides for the activities of the Army Reserve, including the pay of civilian personnel, operation and maintenance of facilities and aircraft, support of training activities, and all associated activities.

SUMMARY OF COMMITTEE ADJUSTMENTS

Committee adjustments to the budget estimate, including those not specifically addressed in this report, are summarized in the following table:

[In thousands of dollars]

	House allowance	Committee recommendation
Civilian pay raise		+7,700
Real property maintenance	-720	
Year-end spending	-600	
Industrial plant equipment	-700	
Stock fund accounting	-4,500	-4,500
Unit equipment	+20,000	+20,000
Shelter for the homeless	+8,000	
Base operations consolidation	-400	
Civilian end strength	-900	-900
Civilian technicians	+17,550	
Excess/surplus property	-4,900	

Operation and Maintenance, Navy Reserve

1983 appropriation	$637,507,000
1984 budget estimate	662,000,000
House allowance	658,360,000
Committee recommendation	639,500,000

The Committee recommends an appropriation of $639,500,000. This is $22,500,000 below the budget request and $18,860,000 below the House allowance.

This appropriation provides for the activities of the Navy Reserve, including the pay of civilian personnel, operation and maintenance of facilities and aircraft, support of training activities, and all associated activities. Costs of operating the Marine Reserve Air Wing are also included.

SUMMARY OF COMMITTEE ADJUSTMENTS

All committee adjustments recommended, including those not specifically addressed in this report, are summarized in the following table:

[In thousands of dollars]

	House allowance	Committee recommendation
Civilian pay raise		+1,700
Real property maintenance	-540	
Year-end spending	-700	
Industrial plant equipment	-2,300	
Excess/surplus property	-8,500	
SIMA repair equipment	+500	+500
Spec. warfare/UDT/seal	+1,000	+1,000
Base operations consolidation	-700	
Aircraft and depot maintenance	-4,400	-4,400
C-9 leases	+12,000	-21,300

C-9 leases.—The Committee recommends a reduction of $21,300,000 from the request for C-9 aircraft leases and a transfer of these funds to the procurement account for the acquisition of not less than eight aircraft. Navy analysis found the accumulated cost to lease these aircraft beyond 3 years exceeds the purchase value. The Naval Reserve has announced its intention to reprogram fiscal year 1984 operating funds to procurement for the purchase alternative. Therefore, the allowance in-

cludes an additional $51,000,000 in the National Guard and Reserve equipment procurement account to acquire the aircraft. This allowance coupled with identified prior year savings will be adequate to procure not less than eight aircraft. Sufficient funds remain within the operating account to permit an orderly phaseout of the leases until procurement action is completed.

Operation and Maintenance, Marine Corps Reserve

1983 appropriation	$51,094,000
1984 budget estimate	52,629,000
House allowance	51,989,000
Committee recommendation	52,879,000

The Committee recommends an appropriation of $52,879,000. This is $250,000 above the budget request and $890,000 above the House allowance.

This appropriation provides for the activities and training of the units of the selected reserve of the Marine Corps, including the pay of civilian personnel and all associated activities.

SUMMARY OF COMMITTEE ADJUSTMENTS

All Committee recommended adjustments to the budget estimate, including those not specifically addressed in this report, are summarized in the following table:

[In thousands of dollars]

	House allowance	Committee recommendation
Civilian pay raise		+250
Real property maintenance	-40	
Excess/surplus property	-600	

Operation and Maintenance, Air Force Reserve

1983 appropriation	$765,735,000
1984 budget estimate	787,000,000
House allowance	773,800,000
Committee recommendation	790,900,000

The Committee recommends an appropriation of $790,900,000. This is $3,900,000 above the budget request and $17,100,000 above the House allowance.

This appropriation provides for the activities of the Air Force Reserve, including the pay of civilian personnel, operation and maintenance of facilities and aircraft, support of training activities, and all associated activities.

SUMMARY OF COMMITTEE ADJUSTMENTS

All Committee recommended adjustments to the House bill and budget estimate, including those not specifically addressed in this report, are summarized in the following table:

[In thousands of dollars]

	House allowance	Committee recommendation
Civilian pay raise		+7,400
Real property maintenance	-350	
Year-end spending	-800	
Industrial plant equipment	-1,500	
Stock fund accounting	-4,500	-4,500
Excess/surplus property	-6,850	
Base operations consolidation	-200	
Aircraft battle damage	+2,000	+2,000
Civilian end strength	-1,000	-1,000

Operation and Maintenance, Army National Guard

1983 appropriation	$1,195,067,000
1984 budget estimate	1,118,000,000
House allowance	1,176,700,000
Committee recommendation	1,169,800,000

The Committee recommends an appropriation of $1,169,800,000. This is $51,800,000 above the budget request and $6,900,000 below the House allowance.

This appropriation provides for the activities and training of the Army National Guard, including the pay of civilian personnel, operation and maintenance of facilities and aircraft, support of training activities, and all associated activities.

SUMMARY OF COMMITTEE ADJUSTMENTS

Committee adjustments to the budget estimates, including those not specifically addressed in this report, are summarized as follows:

[In thousands of dollars]

	House allowance	Committee recommendation
Civilian pay raise		+14,800
Real property maintenance	-650	
Federal employees compensation fund	-400	-400
Industrial plant equipment	-1,100	
Year-end spending	-1,100	
Stock fund accounting	-1,600	-1,600
Base operations consolidation	-300	
Excess/surplus property	-8,100	
Civilian technicians	+32,950	
Repair parts	+3,500	+3,500
End strength increase support	+28,000	+28,000
Organizational clothing and equipment	+7,500	+7,500

Operation and Maintenance, Air National Guard

1983 appropriation	$1,822,603,000
1984 budget estimate	1,740,700,000
House allowance	1,768,650,000
Committee recommendation	1,807,300,000

The Committee recommends an appropriation of $1,807,300,000. This is $66,600,000 above the budget request and $38,650,000 above the House allowance.

This appropriation provides for the activities of the Air National Guard, including the pay of civilian personnel, operation and maintenance of facilities and aircraft, support of training activities, and all associated activities.

SUMMARY OF COMMITTEE ADJUSTMENTS

Committee adjustments to the budget estimate, including those not specifically addressed in this report, are summarized as follows:

[In thousands of dollars]

	House allowance	Committee recommendation
Civilian pay raise		+16,800
Real property maintenance	-700	
Year-end spending	-1,800	
Industrial plant equipment	-3,700	
Stock fund accounting	-13,000	-13,000
Excess/surplus property	-21,200	
Base operations consolidation	-300	
KC-135 reengining	+64,100	+63,100
Strategic lift	+3,850	
Civilian end strength	-300	-300
C-12 leases	+1,000	

KC-135 Re-engining.—The Committee recommends an increase of $63,100,000 for the refurbishment and installation of JT3D engines aboard 31 Air Guard KC-135 aircraft. This accompanies procurement increases to acquire B-707 aircraft contained in the Air Force aircraft procurement section of this report. The allowance is sufficient to include re-engining KC-135 aircraft colocated with Strategic Air Command units at Pease AFB, N.H.

This is the third successive year the Committee has initiated the proposal to install the commercial JT3D engines aboard Air Guard tankers in lieu of extending the aged J-57 engines. This alternative has been a very attractive, cost-efficient program due to the low market prices for B-707 aircraft, and the proven fuel efficiency and lower maintenance costs of these engines. Given these factors, the Committee fails to understand why the Air Force has not budgeted for the program as an interim alternative until new production engines are installed in the tanker fleet. The Committee expects a thorough Air Force review of the program and the submission of a budget request to continue the program in fiscal year 1985.

NATIONAL BOARD FOR THE PROMOTION OF RIFLE PRACTICE, ARMY

1983 appropriation	$875,000
1984 budget estimate	899,000
House allowance	899,000
Committee recommendation	899,000

The Committee recommends an appropriation of $899,000, the same as the budget estimate and House allowance.

This appropriation provides funds for the Board which promotes marksmanship training with military type individual small arms among

able-bodied citizens outside the active services of the Armed Forces, formulates policy governing civilian marksmanship programs, and formulates rules and regulations governing national matches.

Claims, Defense

1983 appropriation	$147,500,000
1984 budget estimate	222,900,000
House allowance	160,400,000
Committee recommendation	172,900,000

The Committee recommends an appropriation of $172,900,000, an authorized decrease of $50,000,000 below the budget estimate and $12,500,000 above the House allowance.

This appropriation provides for the payment of all noncontractual claims against the Department of Defense, as authorized by law, and represents the consolidated requirements of the Secretary of Defense and the Departments of the Army, the Navy, and the Air Force.

Court of Military Appeals

1983 appropriation	$3,271,000
1984 budget estimate	3,372,000
House allowance	3,372,000
Committee recommendation	3,372,000

The Committee recommends an appropriation of $3,372,000. This is the same as the budget estimate and the House allowance.

This appropriation provides for the salaries of the three judges, officers and employees, and other necessary expenses of the Court. The Court, which is established pursuant to the Uniform Code of Military Justice, serves as the appellate court of last resort for the more serious court-martial convictions of military personnel.

Summer Olympics

1983 appropriation	.....
1984 budget estimate	$50,000,000
House allowance	50,000,000
Committee recommendation	45,000,000

The Committee recommends an appropriation of $45,000,000 for Department of Defense support of the summer Olympics. This is the same as the budget request when combined with funds previously appropriated in the continuing resolution, Public Law 98–107. It is $5,000,000 below the House allowance.

. The recommended funding provides for logistical support and personnel services security assistance to be provided by any component of the Department of Defense to the 1984 games of the XXIII Olympiad. The Los Angeles Olympic Organizing Committee (LAOOC) may require special resources from the Department of Defense. Requests for this type of assistance must be made directly by the LAOOC to the Department of Defense in writing. The LAOOC will reimburse DOD for these specific requests. The recommended bill language continues the Public Law 98–107 authority providing for such reimbursement.

Environmental Restoration Fund

1983 appropriation	.....
1984 budget estimate	.....
House allowance	.....
Committee recommendation	$300,000,000

The Committee recommends the establishment of a new account for $300,000,000 to fund hazardous waste disposal projects, and demolition and debris removal from abandoned military installations which pose a threat to public safety. In recent years the Department of Defense has attempted to clean up a number of toxic, hazardous, and unsafe sites at facilities under its jurisdiction from within available operating funds. These largely unbudgeted projects have been performed at some expense to other programs, creating unproductive competition for funding priorities. The allowance provides funding at much greater levels than previously budgeted to assure adequate resources for immediate consideration of designed clean-up projects which have been unfunded. Moreover, this funding level also permits the clean up of abandoned military facilities, including installations transferred to other governmental and private organizations, which pose a threat to the public safety.

The Committee recognizes the herculean task involved in designing and starting projects of this magnitude within the current fiscal year. To assure careful consideration of priority projects in the absence of spending constraints, this account is established to remain available until expended. The Committee recommends this unconventional funding availability only by virtue of the importance of the project. The General Accounting Office will monitor the performance of such expenditures to assure careful oversight.

Concurrent with this allowance, $59,000,000, budgeted in the operating accounts to cover a portion of the cost for clean-up projects, has been transferred to the new environmental restoration fund in order to centralize the funding for such projects. The Committee expects a report from the Department of Defense by March 1, 1984, which outlines the details of the account administration, establishes guidelines for funding priorities, and determines an executive agent for the management of the program.

TITLE IV

PROCUREMENT

Appropriation Summary

The Committee recommends $85,890,512,000 for Department of Defense procurement programs in fiscal year 1984. This is a decrease of $6,704,143,000 below the budget request, $1,448,685,000 above the House allowance, and $5,141,039,000 above the fiscal year 1983 appropriations. Recommended allowances are tabulated below and explained in the following sections:

[In thousands of dollars]

	Fiscal year 1983 enacted	Fiscal year 1984 request	House allowance	Committee recommendation
Aircraft procurement, Army	2,506,572	3,441,100	3,116,748	3,255,530
Missile procurement, Army	2,740,600	3,060,500	2,807,702	2,857,500
Procurement of weapons and tracked combat vehicles, Army	4,551,946	4,890,416	4,542,196	4,598,244
Procurement of ammunition, Army	2,122,394	2,311,189	1,965,989	1,943,500
Other procurement, Army	4,128,364	5,267,877	4,604,616	4,753,077
Aircraft procurement, Navy	10,416,107	11,028,300	9,994,245	10,321,701
Weapons procurement, Navy	3,561,700	3,992,600	3,767,832	3,764,900
Shipbuilding and conversion, Navy	16,076,700	12,585,800	10,913,650	11,184,200
Reappropriation	176,200			
Other procurement, Navy	3,727,075	4,887,501	4,295,412	4,393,705
Procurement, Marine Corps	2,008,083	1,835,049	1,694,793	1,748,461
Aircraft procurement, Air Force	17,658,500	22,506,190	21,040,610	21,100,400
Missile procurement, Air Force	4,941,100	8,059,130	7,787,112	7,553,417
Other procurement, Air Force	5,566,987	7,465,212	6,793,265	6,982,231
National Guard and Reserve equipment	125,000		125,000	176,000
Procurement, defense agencies	828,145	1,063,791	942,657	957,646
Defense Production Act purchases		200,000	50,000	
General reduction, IR&D and BF&P	-386,000			
Coast Guard equipment				300,000
Total, title IV, procurement: New budget (obligational) authority	80,749,473	92,594,655	84,441,827	85,890,512

HIGHLIGHTS

The Committee recommends $85,890,512,000 for procurement to continue the military modernization initiative. This is $6,704,143,000 below the budget, $2,369,388,000 below the authorized level, and $1,448,685,000 above the House allowance. These recommendations provide for

approximately a 6-percent increase in funding over last year, which translates into only slight increases in real purchasing power over last year when two aircraft carriers were funded.

This recommendation includes over $1,000,000,000 of unbudgeted but authorized additions for the Reserve components. It also includes some $232,839,000 for manufacturing technology programs which the House allowance funds at lower levels in their R&D accounts. In addition to a variety of budget adjustments, recommended reductions redirect or slow several programs including the M113A2 armored personnel carrier, the DIVAD gun, Copperhead guided projectile, the Navy EP-3 surveillance aircraft and the Air Force derivative fighter program.

Major Committee recommendations:

—Increase AH-64 production to 112, to achieve a 12 per month production rate.

—Fund the third year of Pershing II production—a total of 95 missiles.

—Continue the fielding of the modern M-1 tank and the new Bradley fighting vehicles.

—Provide $766,941,000 for defensive chemical programs and R&D on retaliatory measures.

—Provide for one Trident ballistic missile submarine and three SSN-688 nuclear attack submarines.

—Support three CG-47 Aegis cruisers and one FFG-7 guided missile frigate.

—Provide for one LSD-41 landing ship dock and one LHD-1 amphibious assault ship.

—Increase production rates for the new Navy F/A-18 and Marine Corps AV-8B while sustaining production on the E-6E, EA-6B, and F-14A.

—Provide over $5,500,000,000 for 10 B-1B's and the initiation of procurement under a multiyear contract.

—Provide over $2,100,000,000 for 21 MX missiles.

Further, the Committee has recommended adding more than $1,000,000,000 for Reserve and Guard equipment, including:

—$23,600,000 to procure 12 C-12 aircraft that will permit the transfer of additional transport aircraft to the Reserves and National Guard.

—$45,800,000 to convert AH-1G helicopters to the AH-1S configuration for the Army National Guard.

—$5,900,000 to procure eight M109A2 self-propelled howitzers for the Army Reserve.

—$15,000,000 for communications equipment for the Army Reserve.

—$15,500,000 for 23 multiple integrated laser equipment systems (MILES) and 1,000 night vision goggles for the Army National Guard.

—$100,000,000 in general equipment for the Army National Guard.

—$29,000,000 for Vulcan air defense system upgrades for National Guard units.
—$32,234,000 for two Marine Corps Reserve KC–130 R/T tankers.
—$51,000,000 to the Navy Reserve to buy C–9 aircraft.
—$62,400,000 to reengine 88 (11 units) KC–135's with JT–3D engines at Air National Guard noncolocated units.
—$405,300,000 for 24 F–16 aircraft for the Air National Guard.
—Eight C–130H aircraft for the Air National Guard and two for the Air Force Reserve at a cost of $163,000,000.
—$52,000,000 to purchase A–7 modification kits for the Air National Guard.
—$16,000,000 for F/RF–4 inertial navigation systems for the Air National Guard.
—$7,500,000 for Air National Guard F/RF–4 smoke reduction modifications and AIM–9L/M launcher upgrades.
—$25,000,000 in general equipment purchases for the Air National Guard.

MULTIYEAR CONTRACTING

The Committee notes the mixed reviews that multiyear procurement has received this year. On balance, the multiyear contracts that have been approved seem to have been justified. For example, a recent GAO report on the original 1982 multiyears noted there were more additional savings than originally forecast. In fact, a number of the adjustments recommended in this title reflect just those savings. The Committee is of the opinion that multiyear contracting, with the sometimes cumbersome congressional approval hurdles, is worth the effort. It wishes to encourage the Department and services to use multiyear contracts. However, the low approval rate of the candidates provided to Congress suggests, as the House Appropriations Committee also has noted, that the Department must do better in selecting multiyear programs.

The Committee is aware of the Department's interest in streamlining and reducing the congressional approval process. As discussed in the opening summary, a revision to the general provision on multiyear contracts has been proposed. The following table displays the change in requirements for congressional approval:

MULTIYEAR CONTRACTING (MYC) REQUIREMENTS

	Public Law 97-377, section 765	Congressional submission recommended
TRADITIONAL MYC		
Contract provides for:		
No cancellation ceiling	None	None
Cancellation ceiling under $20,000,000	None	None
Cancellation ceiling over $20,000,000	Notification	Notification
Major weapons systems initiation	Legislation	Legislation
Other major system initiation	None	Legislation
ECONOMIC ORDER QUANTITY MYC[1]		
Major weapon system initiation	Legislation	Legislation
Other major system initiation	None	Legislation
EOQ under $20,000,000 (yearly)	Notification	None
EOQ above $20,000,000 (yearly)	Notification	Notification
ECONOMIC ORDER QUANTITY ADVANCE PROCUREMENT CONTRACT		
EOQ under $20,000,000 (yearly)	Notification	None
EOQ above $20,000,000 (yearly)	Notification	Legislation

[1]Cancellation ceiling considerations same as traditional MYP.

With respect to the 1984 candidates for multiyear contracting, the Committee notes that the authorizing legislation either explicitly or implicitly denies multiyear authority on the following: F–15, KC–15 reengining, MK–30 target, AN/SSQ–62 DICASS sonobuoy, AN/TSQ–111 communications nodal control element, and TOW II missile.

The Committee specifically approves initiation of multiyear procurement in 1984 for the following: B–1B bomber, TB–16 towed array, MK–45 gun mount/MK–6 ammunition hoist, M–9 armored combat earthmover, and, conditionally, defense satellite communication system (DSCS III).

The Committee has included bill language which would permit multiyear procurement of LSD–41's when properly justified and a prior approval reprograming is submitted for the necessary front-end funding which was not provided in this bill.

ARMORED SEDANS

The Committee shares the House concerns on use, procurement, and adequacy of armored sedans. It agrees with the low 1984 procurement recommended by the House until the Department's policy guidelines are published as the Committee required last year. Of the funds recomended, none is for armored sedans for domestic use.

MANUFACTURING METHODS AND TECHNOLOGY

The Committee is again recommending full funding of the manufacturing methods and technology (MMT) program as budgeted and has not adopted the House proposal to shift this funding to the research and development accounts.

The Committee like the House, supports the MMT program based in part on the following:

First, MMT funds the initial application of developed but unproved production technologies. This funding reduces the risk to acceptable levels. (The Committee notes that "This bridge * * * between R&D and actual manufacture * * * is the primary weakness in the U.S. system and one at which the Japanese excel." In the long term, the Committee expects there will be additional and significant benefits beyond the defense sector of our economy from this program.)

Second, there are ample examples of impressive payoffs (up to a ratio of 15 to 1) to justify investments of this sort.

The Committee agrees with the House that there must be adequate R&D funding to develop new production technologies and to insure that system engineering and designs are feasible and cost effective. In that regard, the Department requested about $12,600,000 in R&D funds to develop new manufacturing technologies and concepts that have yet to be proven feasible in an R&D environment.

The Committee is not persuaded that the MMT projects proposed for funding are neither duplicative of proposed R&D activity nor unjustified. To the extent that the procurement funded projects will create a useable capability on an active production line the Committee agrees with the Department's use of procurement funds to improve generic manufacturing technology. Procurement funds will be used for projects which are expected to create a useable capability on an active production line or on a production line being established for which procurement quantities are known. Demonstration projects (that is, projects not delivering a specified production capability linked to a specific production line) producing demonstration quantities will be funded with RDT&E funds. Quantities produced in demonstration projects will not be sized upward to production quantities just to qualify that project for procurement funding.

Finally, the Committee agrees with both the House Appropriations Committee and the Department that continued improvement in program management is needed, and will continue to monitor the Department's progress during next year's budget hearings. In anticipation of this interest the Department is directed to submit budget displays identifying both in detail and in the aggregate, by major appropriation and by military department:

Procurement: (1) Projects for generic manufacturing technology linked to specific hardware production lines (identified to the beneficiary production line); and (2) military adaptation of commercial items.

RDT&E: (1) Demonstration projects for generic manufacturing technology (that is, not linked to specific production lines); (2) manufacturing technology oriented projects in 6.1 and 6.2; and (3) producibility engineering and planning projects tied to specific hardware programs.

The Committee designates that RDT&E manufacturing technology fund for demonstration projects are a special interest item to insure that the appropriated funds are used for the generic manufacturing technology projects approved.

SPARES AND REPAIR PARTS PROCUREMENT

Recently the Department, including the Air Force, has been criticized for paying excessive prices for parts. Nonetheless, the Committee has, with few exceptions, recommended the fully authorized amount for spares and repair parts. However, these events are a matter of concern. Obsolete wholesale logistics management systems and supporting computers have been identified as major determinants of the spares requirements problem. Obsolete logistics computer systems and insufficient manpower to overcome the deficiencies in these systems have also been identified as major inhibitors to substantially enhancing competition and assuring equitable pricing. The Committee is concerned that it will be several years before these problems are effectively solved.

The Committee expects the Department and Services to make every effort to accelerate the modernization of its logistics management systems to include the fundamental logistics methodology, as well as supporting computer systems and telecommunications.

The Committee wishes to be advsied, within 6 months, of the Department's and Services' plans to accelerate the modernization of its spare parts requirements, procurement, and technical documentation systems. This plan should include critical milestones and funding resources necessary to expedite these programs.

AIRCRAFT PROCUREMENT, ARMY

1983 appropriation	$2,506,572,000
1984 budget estimate	3,441,100,000
House allowance	3,116,748,000
Committee recommendation	3,255,530,000

The Committee recommends an appropriation of $3,255,530,000, a decrease of $185,570,000 below the President's budget and is $138,782,000 over the House allowance.

This appropriation provides funding for the acquisition of tactical and utility airplanes and helicopters, including associated electronics and communications equipment and armament; modification and modernization of in-service aircraft; flight simulators; ground support equipment; production base support; and depot reparable assemblies, components, and repair parts including spare engines, transmissions, and gear boxes.

PROGRAM RECOMMENDED

The Committee recommendations and the budget estimates are detailed in the following comparative table:

[Dollar amounts in thousands]

	Budget estimate		House recommendation		Committee recommendation		Change from budget	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Aircraft:								
C–12 cargo airplane					6	$19,800		+$19,800
RC–12D recon airplane		$26,100		$26,100		26,100		
EH–60A electronic helicopter (MYP)	12	122,800	12	122,800	12	122,000		–800
Advance procurement		32,000		32,000		30,900		–1,100
AH–64 attack helicopter	112	1,219,300	96	1,099,300	112	1,141,100		–78,200
Advance procurement		78,200		62,200		62,200		–16,000
UH–60A utility helicopter (MYP)	84	332,400	84	282,900	84	306,000		–26,400
(Transfer)				(14,500)				
Advance procurement		133,900		133,900		131,100		–2,800
JSTARS						5,000		+5,000
Modification of aircraft		633,300		587,430		620,430		–12,870
OV–1		(45,800)		(26,830)		(26,830)		(–18,970)
AH–1S		(26,300)		(59,500)		(59,500)		(+33,200)
CH–47		(360,500)		(325,500)		(333,500)		(–27,000)
(Transfer)				(8,000)				
UH–60A		(100)						(–100)
General reduction				(–25,000)				
Spares and repair parts		649,400		599,400		599,400		–50,000
Support equipment and facilities		244,700		201,718		222,500		–22,200
Manufacturing meth and tech		(11,482)				(11,482)		
Revised economic assumptions		–31,000		–31,000		–31,000		

C–12D cargo aircraft.—The C–12D is a commercial-type, low-wing, twin turbo-prop, pressurized, passenger/cargo utility aircraft capable of operating under instrument flight conditions.

The Committee recommends $19,800,000 above the budget for procurement of 10 C–12D's for the active Army with the expectation that displaced U–21's shall be provided to the Army National Guard and the Army Reserve. The Committee further directs that of these 10 aircraft, 4 shall be used to replace older C–12 aircraft that have been committed for transfer to the U.S. Customs Service in accordance with existing interdepartmental agreements.

EH–60A helicopter (Quickfix).—The EH–60A provides tactical signal intelligence and electronic warfare support to the Army. The Quickfix system is installed in the Black Hawk utility helicopter.

The Committee recommends $122,000,000 for procurement of 12 helicopters. In addition, $30,900,000 is recommended for advance procurement of engines and airframe components under the third year of a multiyear contract. This is a combined reduction of $1,900,000, reflecting negotiated savings on the T–700 engine multiyear contract.

AH–64 attack helicopter (Apache).—The AH–64 advanced attack helicopter is a twin-engine, two-place, fully integrated antiarmor weapon system capable of day or night operations and under adverse weather conditions. It will carry 8 to 16 Hellfire laser guided antitank missiles as well as a 30mm cannon and 2.75-inch rockets.

The Committee recommends a reduction of $28,200,000 as a result of negotiated savings on the T–701 engine multiyear contract. An additional reduction of $50,000,000 in management and engineering services is also recommended. The Army is directed to continue funding such services annually. In agreement with an authorization reduction, $62,000,000 is recommended for advance procurement of long leadtime items for 144 helicopters.

The Committee also recognizes the need to modernize the Army National Guard attack helicopter fleet. Testimony indicates that even if all existing AH–1G and AH–1S attack helicopters no longer needed in the Active Army inventory (as a result of AH–64 Apache procurement) were turned over to Guard units, the Army National Guard would still be short 220 modern, deployable attack helicopters. It is apparent to the Committee that in order for all Army National Guard attack helicopter units to be fully equipped with combat employable antiarmor aircraft, the combined Army acquisition objective (AAO) for attack helicopters must be increased.

Therefore, the Committee requests the Department to include funds in its fiscal year 1986 defense budget request for long-lead procurement for the AH–64 based on increasing Apache procurement quantities for the Guard beginning in fiscal year 1987. The Committee also requests that the Army identify those Army National Guard units which should be equipped with AH–64's funded in fiscal year 1987. The increased AAO, combined with additional annual production, would insure that both the Active Army and Army National Guard attack helicopter units

are fully equipped with deployable aircraft within a reasonable time period and at a lower unit cost.

UH–60A helicopter (Black Hawk).—The UH–60A is a squad-carrying helicopter used for assault, air cavalry, and medical evacuation missions. The Black Hawk is a twin-engine, single-rotor helicopter designed to carry a crew of three and up to 14 combat equipped troops or equivalent cargo or external loads up to 8,000 pounds.

The Committee recommends a $26,400,000 reduction in 1984 procurement to reflect additional multiyear contract savings ($14,300,000) and lower funding requirements for the T–700 engine multiyear contract ($12,100,000). A $2,800,000 reduction in advance procurement funding reflects negotiation savings in the T–700 engine multiyear contract.

JSTARS.—The Committee recommends a $5,000,000 addition to the budget for advance procurement of the joint surveillance and targeting attack radar system (JSTARS), which will increase the Army's conventional deep-strike targeting ability. This system as currently planned will be mounted in the OV–1 aircraft and linked to ground stations. Another $7,000,000 has been added over the budget in other procurement, Army, for the JSTARS ground station. The Committee has no objection to combining all JSTARS funding in one account for ease of management. The same radar system is intended for Air Force use in other joint applications.

Modification of aircraft.—The Committee recommends $620,430,000 for various improvements and modifications to Army aircraft, reducing the budget estimate by $12,870,000. These modification programs are intended to extend the service life of aircraft in the force and also improve their capability to operate against a changing threat. In addition to the OV–1 and CH–47 adjustments based on the authorizing legislation, the Committee recommends an additional $45,800,000 to start a 3-year National Guard AH–1G modernization program. The Committee recommends a deferral of $12,600,000 for AH–1S laser warning receivers which are not ready for installation in 1984.

The Committee recommends the deletion of $100,000 requested for the Black Hawk modification because procurement of the external stores support system (ESSS) fixed provisions (hard points) for fielded UH–60's was not scheduled to start until 1987. This modification is currently being included on production aircraft and provides the capability to self-deploy to Europe. If the ESSS field installation schedule is accelerated so that funds are needed in 1984, the Committee will consider a reprograming.

Aircraft spares and repair parts.—The Committee recommends $599,400,000, a $50,000,000 reduction below the request, for procurement of spares and repair parts as authorized. These funds provide for centrally managed, high dollar value, depot repairable assemblies, components, and repair parts such as engines, transmissions, and gear boxes in support of an Army fleet of approximately 572 fixed wing and 7,806 rotary wing aircraft.

Aircraft support equipment and facilities.—The Committee recommends $222,500,000 for ground support equipment including air traffic control equipment, avionics, communications equipment, ground handling and servicing equipment, special test and diagnostic equipment improvement; industrial facilities; war consumables; and other production charges. This is a reduction of $20,000,000, in agreement with the authorizing legislation, plus a deferral of the $2,200,000 for the user segment equipment of the NAVSTAR global positioning system to aline the start of production with completion of testing.

MISSILE PROCUREMENT, ARMY

1983 appropriation	$2,740,600,000
1984 budget estimate	3,060,500,000
House allowance	2,807,702,000
Committee recommendation	2,857,500,000

The Committee recommends an appropriation of $2,857,500,000. This is $203,000,000 below the President's budget estimate and $49,798,000 above the House allowance.

This appropriation provides for the procurement of surface-to-air and surface-to-surface missile systems; air defense control and coordination systems; antitank/assault missile systems; modification of in-service missiles and supporting equipment; and related costs such as production base support.

PROGRAM RECOMMENDED

The Committee recommendation is detailed in the following comparative table:

[Dollar amounts in thousands]

	Budget estimate		House recommendation		Committee recommendation		Change from budget	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Missiles:								
Other missile support		$9,200		$9,200		$9,200		
Patriot	525	992,000	440	885,000	440	885,000	-85	-$107,000
Stinger	1,508	137,800	1,508	100,500	1,508	105,200		-32,600
(Transfer)				(37,300)		(32,600)		(+32,600)
Laser Hellfire	5,351	238,800	5,351	218,800	5,351	218,800		-20,000
TOW (MYP)	18,000	189,200	18,000	189,200	18,000	189,200		
Advance procurement		28,200						-28,200
Pershing II	95	407,700	95	407,700	95	407,700		
Multiple-launch rocket system (MYP)	36,000	418,000	36,000	418,000	36,000	418,000		
Advance procurement		114,100		114,100		114,100		
Joint tactical missile advance procurement						20,000		+20,000
Modification of missiles		123,300		123,300		123,300		
Spares and repair parts		316,600		261,702		281,400		-35,200
Support equipment and facilities		113,600		108,200		113,600		
Manufacturing meth and tech		(5,400)				(5,400)		
Revised economic assumptions		-28,000		-28,000		-28,000		

COMMITTEE RECOMMENDED ADJUSTMENTS

Patriot (SAM–D).—The Patriot is a high and medium altitude air defense system. The surface-to-air system is capable of multiple simultaneous engagements of attacking aircraft.

The Committee recommends $885,000,000 for 440 missiles and 12 fire units. This reduction of $107,000,000, in accordance with the authorizing legislation, allows missile production to increase slightly.

The Committee again notes that production continues 60 to 90 days behind schedule. In addition, quality control problems discovered through operational testing combined with early training deficiencies justify the Army's decision to delay deployment. The Committee expects these problems to be remedied before any further increases in production are budgeted.

Stinger.—The Stinger is a shoulder fired guided missile system housed in a disposable launch tube. It provides low altitude air defense and is a replacement for the Redeye system.

The Committee recommends the use of $32,600,000 in prior year funds available for an unexecuted option on the 1983 basic Stinger contract, with a corresponding decrease in new appropriations. The net effect will be to reduce the combined 1983 Stinger program by 888 missiles, while providing for a 1984 program of about 2,500 missiles. This smoothing of the production rate should ease the transition from the basic Stinger to the improved versions.

The Committee notes the Army's goal to procure an advanced Stinger-POST on the 1984 contract. Procurement funds provided by this bill are for the Stinger-POST as budgeted and not the reprogramable microprocessor, the POST-RMP version. As an item of special congressional interest, the Committee will consider any reprogramings necessary to place the POST-RMP into production following completion of necessary developmental and operational testing.

Laser Hellfire.—The Hellfire is an air-to-ground missile system used with the AH–64. It is designed to defeat individual hardpoint targets and heavily armored vehicles. This system utilizes semi-active laser terminal homing guidance and is designed to accept other guidance packages.

The Committee recommends $218,800,000 to procure 5,351 missiles and associated equipment, which is a reduction of $20,000,000 in agreement with the authorizing legislation.

TOW.—The tube-launched, optically-tracked, wire-guided (TOW) missile is an antitank/assault system mounted on a variety of combat vehicles as well as the Cobra attack helicopter. An improved TOW II version is currently in production.

The Committee recommends $189,200,000 to procure 18,000 TOW II missiles and ground support equipment but denies the $28,200,000 for advance procurement of production surge materiels which was not authorized.

Pershing II.—The Pershing II system evolved from the Pershing 1A intermediate range missile system now deployed in support of NATO. Pershing II provides greater range and accuracy which, with the ground

launched cruise missile, represents a U.S. commitment to modernize the NATO's intermediate range nuclear deterrent as a counter to the Soviet SS-20 and other missiles systems.

The Committee recommends the full budget request of $407,700,000 to procure 95 missiles and associated ground support equipment.

Multiple launch rocket system (MLRS).—The MLRS is a 227mm rocket launch system with a tracked self-propelled launcher loader, two pods with six rockets each, and fire control equipment. The MLRS is designed to suppress enemy field artillery and air defense systems and to supplement conventional artillery.

The Committee recommends $418,000,000 for 36,000 missiles plus $114,100,000 to procure advance materials in economic order quantities as part of a multiyear procurement strategy approved for MLRS last year. This is in agreement with the budget estimate and authorization.

Joint tactical missile.—The Committee recommends $20,000,000 above the budget for advance procurement of the joint tactical missile which will be used in conjunction with the JSTARS systems to increase the Army's conventional deep-strike capability. These funds shall not be reprogramed or otherwise diverted to any other activity.

Army missile spare and repair parts.—The Committee recommends $281,400,000 for procurement of various Army missile spares and repair parts, which includes a $35,200,000 reduction in authorization.

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

1983 appropriation	$4,551,946,000
1984 budget estimate	4,890,416,000
House allowance	4,542,196,000
Committee recommendation	4,598,244,000

The Committee recommends an appropriation of $4,598,244,000. This is a decrease of $292,172,000 below the President's budget for new budget authority and is $56,048,000 above the House allowance.

This appropriation provides for the procurement of tanks, armored personnel carriers and combat engineer vehicles. Funds are also included for the acquisition of machine guns, grenade launchers, towed and self-propelled guns and howitzers, laser rangefinders, associated training equipment, modification of in-service equipment, investment spares and repair parts and major components, and production base support.

PROGRAM RECOMMENDED

The Committee recommendation and budget estimates are tabulated below:

[Dollar amounts in thousands]

	Budget estimate		House recommendation		Committee recommendation		Change from budget	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Tracked combat vehicles:								
Command post carrier, M-577A2	652	$130,000	250	$50,000	250	$50,000	-402	-$80,000
Personnel carrier, M113A2	400	73,200	250	46,000			-400	-73,200
Bradley fighting vehicles (MYP)	600	766,000	600	759,800	600	799,000		+33,000
Advanced procurement		29,800		29,800		29,800		
Bradley FVS training devices		60,800		60,800		60,800		
Field artillery ammunition support vehicle	217	103,400	120	60,000	120	60,000	-97	-43,400
Howitzer, med, SP, FT, M109A2	112	82,100	120	88,000	120	88,000	+8	+5,900
Recovery vehicle, med, FT, M88A1	180	142,300	180	142,300	180	142,300		
M1 Abrams tank (MYP)	720	1,361,200	825	1,351,300	840	1,343,900		-17,300
(Transfer)				(83,800)		(111,600)		(+111,600)
Advanced procurement		251,100		293,100		293,100		+42,000
M60 training devices		12,200		12,200		12,200		
M1 series tank training devices		31,600		31,600		31,600		
Light armored vehicle (LAV-25) ((MYP)	176	132,400		33,000		8,984	-176	-123,416
Modifications of tracked combat vehicles		385,516		377,516		377,516		-8,000
FIST vehicle		(106,100)		(98,100)		(98,100)		(-8,000)
Support equipment and facilities		472,800		470,100		474,044		+1,244
Spare and parts		(406,300)		(411,200)		(411,200)		(+4,900)
Production base support (MM&T)		(65,600)		(58,000)		(61,944)		(-3,656)
Weapons and other combat vehicles:								
Sergeant York DIVAD gun	130	541,500	130	541,500	117	503,000	-13	-38,500
Advance procurement		38,700				23,100		-15,600
Product improved vulcan ads (PIVADS)		9,300				38,300		+29,000
Machine gun, 7.62mm, M60	368	1,100	368	1,100	368	1,100		
Armor machine gun, 7.62mm, M240 roll	2,250	11,600	2,250	11,600	2,250	11,600		
Squad automatic weapon (SAW), 5.56mm	2,000	6,700	2,000	6,700	2,000	6,700		
Grenade launcher, auto, 40mm, MK19-3	72	2,500	72	2,500	72	2,500		
Launcher, smoke grenade	3,701	3,000	3,701	3,000	3,701	3,000		
Mortar, 81mm, XM252	30	1,700	30	1,700	30	1,700		
Personnel defense weapon, 9mm	11,500	3,900					-11,500	-3,900
Vehicle rapid fire weapon system, Bushmaster	630	42,100	630	42,100	630	42,100		
M26 tank muzzle boresight device	1,750	4,400	1,750	4,400	1,750	4,400		

[Dollar amounts in thousands]

	Budget estimate		House recommendation		Committee recommendation		Change from budget	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Modifications and other combat vehicles		$900		$900		$900		
Support equipment and facilities		232,600		222,103		232,600		
Revised economic assumptions		-44,000		-44,000		-44,000		
General reduction				-19,816				
General reduction, spares				-37,107				

Command post vehicle, M577A2.—The M577A2 is a lightweight aluminum-armored vehicle which provides shelter for command posts, operations centers, and fire direction centers. It is a derivative of the M113A2 armored personnel carrier and features a raised top deck.

The Committee recommends a reduction of $80,000,000 while providing $50,000,000 for procurement of 250 command post carriers, the full amount authorized.

M113A2 armored personnel carrier.—The M113A2 is a lightweight vehicle which transports 11 troops.

The Committee notes that recent advances in light antiarmor and other light weapons make the M113 increasing vulnerable and less survivable. Although current Army doctrine, tactics, and training emphasize the use of fighting vehicles, the M113 and derivatives will be the most common battlefield vehicle well into the 1990's. The Committee sees no reason to continue adding such vulnerable vehicles to the force except where its employment is clearly behind the area of battle. Accordingly, the Committee denies 1984 production funding of $73,200,000 for 400 vehicles, and directs the Army to initiate a program to enhance the survivability of the M113 that would include adding a spall suppression liner and armored external fuel tanks to reduce vulnerability and, if necessary, to upgrade the power train on the M113 family of vehicles. The Committee also directs the Army to undertake, as a matter of high priority, the installation of applique armor on selected vehicles in the M113 family.

In a directly related matter, the Committee also notes that the M–60 tank will also constitute about one-half of the Army tank fleet. It also has inadequate survivability relative to the M–1. The Committee directs the Army to report to the Committees on Appropriations of the Senate and House within 120 days of enactment of this public law on the range of possible survivability enhancing modifications, their costs and availability, and any Army plans to enhance the survivability of the M–60 fleet.

Bradley fighting vehicles.—The Bradley fighting vehicles (formerly the infantry and cavalry fighting vehicles), are lightly armored vehicles with a stabilized 25mm automatic cannon, a 7.62mm machine gun and a TOW missile system. The infantry version can carry nine men and is intended to provide cross country mobility and fire power support of mechanized infantry operations. The cavalry version carries five men and provides scout squads with the capability to conduct reconnaissance and security missions under armor protection.

The Committee recommends an increase of $33,000,000 above the budget request of $766,000,000 for procurement of 600 IFV/CFV vehicles. These additional funds, together with funds added to the "Army R&D" account, will provide for the early introduction of the TOW 2 fire control capability into the integrated sight unit (ISU) on production vehicles.

Field artillery ammunition support vehicle.—The field artillery ammunition support vehicle (FAASV) is a self-propelled armored ammunition

supply vehicle that will provide ballistic protection for vehicle crews and ammunition in Europe.

The Committee recommends a reduction of $43,400,000 while providing $60,000,000 for procurement of 120 FAASV's in accordance with the authorizing legislation.

155mm medium howitzer, M109A2.—The M109A2 howitzer is a product improvement of the basic M109 self-propelled 155mm howitzer.

The Committee recommends $88,000,000 for procurement of 120 howitzers. This is an increase of $5,900,000 and eight vehicles above the budget request in order to maintain a minimum sustaining rate of production.

M1 Abrams tank.—The M1 is a 105mm gun tank with three secondary armament systems equipped with day and night fire control systems and shoot-on-the-move capabilities. The M1E1, with a 120mm gun, will enter production this year.

The Committee recommends $1,343,900,000 for procurement of 840 M1 tanks. This is $17,300,000 below the request and is offset in part by a $111,600,000 transfer of prior year funds. The reduction of $7,400,000 below the authorized level eliminates funds for the establishment of a second engine producer, pursuant to restrictions in the authorizing act. Further, the Committee directs the Army to utilize the $24,900,000 budgeted in 1983 for the second engine source to buy additional spare engines and modules to fully support the deployed M1 fleet. The Committee recommends an additional $42,000,000 above the budgeted amount for a total of $293,100,000 for 1985 advance procurement of 840 tanks.

Tank engine competition.—Notwithstanding the recommendations above and in view of the potential cost savings that might be available, within 3 months, the Committee has recommended a provision in the bill requiring a study by the Army of the feasibility and cost effectiveness of establishing a second production source for the production of the M-1 tank's turbine engine. Should the Secretary of the Army determine, based on the study findings, that it is in the national interest to establish a second production source, he is authorized by the provision to implement that determination 60 days after submission of the study and determination to the Committees on Appropriations and Armed Services of the House and Senate.

The Committee believes this approach is the most effective solution to the second source issue, although it does modify recommendations carried in the Defense Authorization Act for fiscal year 1984. To insure that ongoing production is maintained, the Committee has added a requirement that current engine production shall not be interrupted or reduced by the establishment of any second production source capability.

Light armored vehicle (LAV-25).—The LAV is family of lightweight combat vehicles being developed jointly by the Army and Marine Corps. The 1984 procurement is the third year of a 5-year multiyear contract.

In a major program redirection, Congress authorized only $33,000,000 for the Army purchase of the basic LAV–25 vehicles and further directed that these vehicles, plus last year's purchase, be turned over to the Marine Corps. The Committee recommends funding the Marine acquisition from its own procurement account. Consequently, $8,984,000 is recommended for the Army to stay in the joint program pending completion of the congressionally directed review of Army requirements. A corresponding increase in the Marine Corps program is recommended elsewhere.

The Army will be expected to provide the Committee the results of its reassessment of light armored vehicles. Further, this assessment should address the full range of Army requirements for light combat vehicles. The Army's light combat vehicle procurement plan for the next decade will be an item of interest in the Committee's 1985 budget hearings.

Finally, the service is requested to inform the Committee of any changes to the multiyear contract resulting from this program restructuring and any associated program realinements.

Modification of tracked combat vehicles.—This activity funds design engineering, testing, and kit hardware necessary to modify and upgrade the combat vehicle fleet. The Committee recommends a $8,000,000 reduction in the field artillery indirect fire support team (FIST) vehicle modification line in agreement with the authorzing legislation.

Support equipment and facilities.—The Committee recommends the addition of $25,000,000 for M–1 tank spare parts to support the 120 additional tanks funded. This unbudgeted addition is to be offset in part by a $20,100,000 reduction in spares and repair parts for the LAV and FAASV. The Committee also recommends a $3,656,000 deferral of funds requested to lay away certain M–60 production facilities which will continue in use.

WEAPONS AND OTHER COMBAT VEHICLES

DIVAD gun.—The DIVAD gun is a self-propelled, 40mm, air defense gun, which will be employed in air defense battalions of the heavy divisions. The DIVAD gun will replace the Vulcan air defense system.

The Committee recommends $503,000,000 for procurement of 117 division air defense guns and $23,100,000 for advance procurement. This is a 10-percent reduction in the proposed 1984 buy, priced to the contract ceiling, and is recommended out of concern over the unsatisfactory cost performance to date. By limiting the reduction to 10 percent, the Army can execute the last option of the existing contract without voiding the contract.

In recommending a $15,600,000 reduction in advance procurement, the Committee is fully funding the revised requirement for the fiscal year 1985 program.

The Committee notes that none of the 1984 advance procurement funds requested and provided are needed for the prime contractor of the system. These advance procurement funds will be used for GFE

hardware which can be diverted to other uses within the Army if subsequent purchases of the DIVAD are not approved. Consequently, initiation of the fiscal year 1985 production contract will not occur until mid-1985—after the Army has completed its scheduled should-cost study and completed the reliability, availability, maintainability (RAM) demonstration test on the initial production hardware.

Accordingly, the Committee expects the Army to be able to testify in detail during the fiscal year 1985 budget cycle on the following: (1) system performance against the postulated threat and the evolving threat; (2) results of the RAM demonstration using initial production hardware; (3) results of an examination of the Army wide requirements for short-range air defense systems in both the heavy and light divisions; and (4) results of an examination of alternatives to the DIVAD. Further, the Army should be able to justify the forecast reduction in DIVAD unit costs in light of recent higher than forecast unit costs. In the absence of clear indications that production costs will be in the affordable range and that system performance meets all operational requirements, the Committee is disposed to reconsider future procurement of the DIVAD system.

Product improved Vulcan air defense system (PIVADS).—This activity funds improvements to the Vulcan air defense system which is being replaced by the Sergeant York DIVAD gun in the heavy divisions and, in a towed version, serves as an interim air defense system in the light divisions.

To facililtate a coordinated upgrade and transfer to the reserve components of displaced systems, the Committee recommends an increase of $29,000,000 above the request for a total of 288 modification kits.

9mm hand gun.—The 9mm pistol (the Army calls it the personal defense weapon, or PDW) is the proposed DOD standard sidearm capable of firing the NATO standard 9mm cartridge with greater firepower, accuracy, and higher hit probability than either the current .45 caliber pistol or .38 caliber revolver which it will replace. Army procurement was not authorized for 1984. The Committee recommends denying the $3,900,000 budget request.

Support equipment and facilities.—The Committee recommendation of $232,600,000 for support equipment and facilities includes $118,900,000 for spares and repair parts, $2,500,000 for items less than $900,000, and $111,200,000 for production base support, as budgeted.

Procurement of Ammunition, Army

1983 appropriation	$2,122,394,000
1984 budget estimate	2,311,189,000
House allowance	1,965,989,000
Committee recommendation	1,943,500,000

The Committee recommends an appropriation of $1,806,000,000 for ammunition plus $176,500,000 for production base support, all offset by a reduction of $39,000,000 for revised economic assumptions. This is a reduction of $367,689,000 below the President's request and $22,489,000 below the House allowance.

This appropriation provides for the procurement of all Army ammunition except missiles. Funds are also included for industrial facilities required for the production of ammunition components and end items, the modernization of Army ammunition facilities (including construction), and the layaway of Government-owned plants and equipment where it has been established that such facilities will be required in the event of mobilization.

The Committee recommendation and the budget estimate are summarized in the following comparative table:

[Dollar amounts in thousands]

	Budget estimate		House recommendation		Committee recommendation		Change from budget	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Atomic materiels		$112,000		$48,900		$48,900		-$63,100
Conventional ammunition		1,944,850		1,802,350		1,757,100		-187,750
Binary munitions		(18,100)						(-18,100)
9mm handgun		(1,200)		(1,200)				(-1,200)
Machine gun ammo (50 cal.)		(46,975)		(34,675)		(34,675)		(-12,300)
155mm (Copperhead) guided projectile		(75,000)		(75,000)				(-75,000)
Light antitank system						(9,850)		(+9,850)
Other authorization reductions				(-91,000)		(-91,000)		(-91,000)
Production base support:								
Provision of industrial facilities		251,639		136,439		134,800		-116,839
Binary prod facilities		(106,300)						(-106,300)
Layaway of industrial facilities		17,300		17,300		17,300		
Manufacturing technology program		24,400				24,400		
Revised economic assumptions		-39,000		-39,000		-39,000		

COMMITTEE RECOMMENDED ADJUSTMENTS

9mm ammunition.—Procurement of the 9mm handgun was not authorized for the Army. Accordingly, the Committee recommends deleting the $1,200,000 requested for 9mm ammunition.

Machinegun ammunition, 50 caliber (all types).—The GAO noted in its review of the 1984 DOD conventional ammunition request that the Army's inventory objective for this item would be exceeded if produced as requested. The Army agreed that an adjustment of $12,300,000 was acceptable and is hereby recommended.

Projectile, 155mm (Copperhead).—Copperhead is a terminally guided precision artillery projectile. As a result of an Army decision to abandon the program for affordability reasons, Congress directed that Copperhead be terminated during 1983. Subsequently, the Army sought via reprograming to continue a revised program in fiscal year 1983. This new program is smaller and more costly per round.

Despite renewed Army support for the program, the Committee remains unconvinced that Copperhead is affordable in light of pending budget constraints. Accordingly, the Committee recommends the program be terminated as directed last year. No 1984 funding is recommended.

25mm ammunition (all types).—The Committee recommends $67,800,000, the full amount authorized, and expects the Army to utilize these funds to support its planned three-contractor production base for all types of 25mm Bushmaster ammunition.

Light antitank systems.—The authorization legislation stipulated the use of $20,700,000 in prior year funds for the purchase of an existing, nondevelopmental light antitank systems, which the Army advises are critically needed to fill inventory shortages. However, the prior year funds are not available, and the Committee recommends a new appropriation of $9,850,000 to meet the most essential requirements.

Other authorized adjustments.—The following is a listing of the Committee recommended adjustments in agreement with congressionally approved authorization:

[In thousands of dollars]

	Amount recommended	Adjustment to budget
Atomic materials	112,000	-63,100
Cartridge, 5.56mm (all types)	80,000	+5,300
Cartridge, 7.62mm (all types)	33,200	-8,700
Cartridge, .22 caliber (all types)		-300
Cartridge, .45 caliber (all types)	2,900	+1,200
Cartridge, 20mm (all types)	13,100	-3,300
Cartridge, 25mm (all types)	67,800	-24,100
Cartridge, 60mm LWCMS		-20,200
Cartridge, 105mm (HEAT-T/TP) [1]	63,700	+29,600
Projectile, 8-inch, HE, ICM	136,900	-64,100
Handgrenades (all types)	10,100	-6,400

[1] Based on review of 105mm tank ammunition, the Army states the additional funds are needed most for HEAT-T/TP rounds rather than for APFSDS rounds authorized.

Production base support.—Except for the chemical production base projects which are discussed below, provisions for industrial facilities are reduced by $10,539,000 for two projects. First, the Committee recommends deferring $8,939,000 to establish a capability to thread and screw the base for 8-inch ICM rounds. This project, because of its importance, has been funded by reprograming in fiscal year 1983. Second, $1,600,000 to expand production of mortar increment containers has been denied because of reduced requirements for 60mm ammunition.

CHEMICAL PROGRAMS

In the area of chemical defense, the Committee recommends a program totaling $766,941,000. The full amount of $726,000,000 for defensive measures and demilitarization of existing stockpiles is recommended and fully supported. A total of $40,741,000 is provided for the retaliatory program which is a reduction of $124,400,000. Of this reduction, $18,100,000 for the Army's 155mm binary artillery projectile is denied because it appears that current stockpiles of present 155mm and 8-inch artillery projectiles are and will continue to be in usable condition into the next decade. Further, there is evidence that storing these munitions at lower temperatures could significantly extend their useful life.

A corresponding reduction of $106,300,000 for the three proposed chemical munition production projects is recommended. The Committee notes that the site selection process has not been completed. Until the locations are selected, precise cost estimates and construction plans cannot be prepared. The Committee further believes that any funding for the Bigeye load, assemble, and pack equipment or for a QL facility should be delayed until the development problems which caused the 1984 production funding request to be withdrawn are resolved.

Although the Committee has not provided for production of new chemical munitions, an important general provision is recommended to impose tight restraints on modernization of the U.S. chemical weapons stockpiles when and if that process begins. First is a requirement for destruction of existing chemical stockpiles at a rate amounting to two weapons and agent for every new weapon introduced. This will incorporate a gradual builddown of the chemical arsenal as the 155mm projectile and Bigeye are produced. Second is a prohibition of construction of facilities for Bigeye until the Secretary of Defense certifies that all current technical problems have been resolved. Other portions prohibit production of chemical weapons for U.S. allies unless such weapons are requested and at a rate that does not exceed the allies' stated requirements, provided that these weapons remain under U.S. control until their use has been authorized by the National Command Authority.

Finally, the Committee has included the following policy statement encouraging every effort to achieve an eventual ban on all chemical weapons:

It is the sense of the Congress that a complete, verifiable ban on the development, production, and stockpiling of chemical weapons should remain the primary U.S. chemical warfare objective and that the pro-

duction of new lethal chemical weapons for deterrence is only an interim step until such a treaty can be achieved. Consequently, all chemical agent and munitions production shall cease when such a treaty enters into force. Stockpiles and production facilities shall then be destroyed in accordance with the terms of the agreement. Development of lethal chemical agents and munitions shall similarly cease with the exception that research into agents and possible delivery means may continue only for the purpose of designing and testing chemical protective equipment and procedures as a safeguard against treaty violations or as specified in the agreement. It is further the sense of Congress that the U.S. chemical agent and munitions stockpile should be sized to the minimum level required to deny any potential aggressor a significant military advantage from chemical use and thus create an effective deterrence against initiating chemical warfare. The existing stockpile should be demilitarized in parallel with acquisition of modern binary munitions. The Department of Defense shall submit a plan with options to demilitarize the existing chemical stockpile by 1990, 1995, and 2000, identifying estimated costs as well as military, arms control, and environmental implications.

The following table summarizes appropriations recommended for chemical deterrent programs:

CHEMICAL DETERRENT PROGRAM RECOMMENDATIONS

[In thousands of dollars]

	Budget [1]	Authorization	Committee recommendation
Retaliatory:			
Procurement:			
Army 155mm binary projectile	18,100	18,100	
Army and Navy binary production facility	106,300	112,500	
Subtotal	124,400	130,600	
Research and development:			
Army MLRS binary warhead	15,527	15,527	15,527
Army tech base program (four projects)	9,700	9,700	9,700
Navy Bigeye	8,114	8,114	8,114
Subtotal	33,341	33,341	33,341
Operations and maintenance:			
Army retaliatory programs	7,400	7,400	7,400
Total retaliatory recommendation	165,141	171,341	40,741
Defensive measures (all services):			
RDT&E	334,900	334,900	334,900
O&M	146,700	146,700	146,700
Procurement	97,700	97,700	93,800
War Reserve stocks (stock fund)	85,000	85,000	85,000
Total defensive measures	664,300	664,300	660,400

See footnote at end of table.

CHEMICAL DETERRENT PROGRAM RECOMMENDATIONS—Continued

[In thousands of dollars]

	Budget[1]	Authorization	Committee recommendation
Demilitarization:			
RDT&E	11,300	11,300	11,300
O&M	54,500	54,500	54,500
Total demilitarization	65,800	65,800	65,800
Total chemical program comparison:			
Retaliatory	165,141	171,341	40,741
Defensive	664,300	664,300	660,400
Demilitarization	65,800	65,800	65,800
Total chemical program spending	895,241	901,414	766,941

[1] As amended September 1983.

ITEMS OF SPECIAL INTEREST

Military explosives and propellants.—The Committee has informally reviewed the Army study of requirements for military explosives and rocket propellants, in particular, HMX used in the propellant base for the MX, Trident II, and other missile systems. The Committee has also informally reviewed the Army's plan for providing the additional productive capability required. While this requirement is immediate, but unbudgeted in fiscal year 1984, the Department of Defense is encouraged to submit a reprograming request to initiate this program. Since all services will benefit from this project, the Committee expects all services to provide funds for the reprograming proposal. A copy of the master plan, site selections, and funding profiles must also be submitted with the reprograming.

Light antiarmor weapon evaluation.—The Committee's strong interest in the light antiarmor weapon (LAW) program continues and particularly in the LAW evaluation. The Committee fully concurs with the Secretary of the Defense in his endorsement of the Army's decision to eliminate the Viper/Viper variant from further consideration in the competitive evaluation of alternative light antiarmor weapons (LAW). Accordingly, the Committee directs the Army to (*a*) terminate the expenditure of funds used to maintain a warm production base, including the presence of technical experts, for the Viper/Viper variant, and (*b*) divert Viper/Viper variant production equipment to another use or dispose of this equipment if no alternative use exists.

The Committee further directs that those systems which have been evaluated in phase II of the competitive evaluation process mandated by Congress and which are no more than approximately twice the cost of the M72A3 LAW shall now be fully tested. The tests shall include product improvements to these systems. At the same time, the Committee expresses its strong concern that the evaluation process is being conducted by the Army in a manner which has resulted in the systematic elimination of certain LAW candidates for alleged performance deficiencies before all evaluation procedures have been completed. As such, the Office of the Secretary of Defense is directed to transmit to

the Appropriations Committees of the House and Senate within 60 days of the enactment of this legislation a full evaluation of all LAW candidates which competed in phase II of the selection process.

OTHER PROCUREMENT, ARMY

1983 appropriation	$4,128,364,000
1984 budget estimate	5,267,877,000
House allowance	4,604,616,000
Committee recommendation	4,753,077,000

The Committee recommends an appropriation of $4,753,077,000, a decrease of $514,800,000 below the President's budget and an increase of $148,461,000 above the House allowance.

This appropriation finances the acquisition of: (*a*) tactical and commercial vehicles including trucks, semitrailers, and trailers of all types to provide mobility to field forces and the Army logistical system; (*b*) communications and electronics equipment of all types to provide fixed, semifixed, and mobile strategic and tactical communications equipment; (*c*) other support equipment such as chemical defensive equipment, tactical bridging, maintenance shop sets, construction equipment, floating and rail equipment, generators and power units, material handling equipment, medical support equipment, special equipment for user testing, and nonsystem training devices. In each of these activities funds are also included for modification of in-service equipment, investment spares and repair parts, and production base support.

PROGRAM RECOMMENDED

The Committee recommendation will provide funding for the following program for fiscal year 1984:

[In thousands of dollars]

	Budget estimate	Committee recomendation
Tactical and support vehicles	1,148,100	1,124,900
Communication and electronics equipment	2,778,212	2,490,612
Other support equipment	1,433,565	1,229,565
Revised economic assumptions	-92,000	-92,000

COMMITTEE RECOMMENDED ADJUSTMENTS

TACTICAL AND SUPPORT VEHICLES

Motorcycles, rough terrain.—Congress authorized only $1,000,000 of the $9,900,000 requested for motorcycles to be used in Army light divisions to improve command and control capabilities. The Committee believes it is premature to start procurement of these off-the-shelf items until the program is fully supported, and recommends deferral of all funding.

5,000-gallon trailers.—In agreement with approved authorization levels, a reduction of $9,600,000 is recommended.

Fast attack vehicle.—The Army requested funds to purchase 138 fast attack vehicles for the High Technology Light Division. The Army has

a lease with purchase option for 140 vehicles today. The Committee recommends $1,000,000 for 30 vehicles and funds to exercise the purchase option. This is a reduction of $3,700,000.

High mobility multipurpose wheeled vehicle (HMMWV).—The HMMWV is an Army and Marine Corps program for replacing a number of tactical vehicles in the ¼- to 1¼-ton range. This highly mobile, diesel-powered, four-wheel-drive vehicle is air transportable and air droppable, and will be produced in several variants, such as weapons carrier, utility, and ambulance.

The Committee recommends $135,700,000 for procurement of HMMWV's under a multiyear contract and directs that the extra funds available as a result of negotiated contract savings be applied to buy additional vehicles.

COMMUNICATIONS AND ELECTRONICS EQUIPMENT

Joint tactical communications (TRI–TAC).—The TRI–TAC program provides improved, secure digital communications for our tactical forces. This broad program includes multichannel transmission units, circuit and message switches, control facilities, telephones, data terminals, and communications security equipment.

The Committee recommends a reduction of $58,800,000 for this activity by denying the requested funds ($96,800,000) for the communications nodal control element (CNCE), the AN/TSQ–111, with a corresponding increase of $38,000,000 to the TRI–TAC modification program. This adjustment supports Army efforts to provide the required nodal control (management capability) in a less costly manner through modifications of existing equipment. An associated reduction of $2,000,000 for communication security devices budgeted for the CNCE is also recommended.

In supporting this redirection, the Committee expects the Army to use the $93,500,000 provided last year within the revised program and to provide a revised program cost breakdown with the 1985 budget submission reflecting this application.

Other reductions.—The Committee recommends a number of other reductions based on program adjustments identified by the Army and the Committee in lieu of the general reduction proposed in the authorizing legislation. Rather than the authorized $265,000,000 general reduction, the Committee recommends a $235,000,000 cut. This adjustment effectively restores $30,000,000 for spares and repair parts which are needed to sustain readiness. Two of the proposed adjustments (the tactical digital facsimile and the steerable null antenna processor (CP–1380)) have not been accepted. The Army is directed to use the $9,500,000 and $13,200,000 provided respectively for the requested items and that alternative offsets be identified. Furthermore, the Committee expects these and prior year funds provided to all the services for tactical digital facsimile (TDF) to be used for the sole purpose of production and fielding of the TDF equipment. Adjustments are shown in the following table:

[Dollar amounts in thousands]

	Committee recommendation		Adjustment	
	Quantity	Amount	Quantity	Amount
Modular record traffic terminal (MRTT)				-$28,900
Repeater/terminal assemblages		$31,600		-28,500
Unit level switches				-15,900
AN/TRQ-35 chirp sounder			-27	-7,600
Antenna group, OE-254			-4,553	-3,200
Log periodic antenna, OE-314			-700	-2,500
Joint crisis management capability (JCMC)				-7,000
Digital equipment (DSCS)		15,800		-5,000
Interconnect facility (DSCS)		12,000		-4,600
Jam resistant secure communications (JRSC)		48,100		-5,000
DSCS operations control system (DOCS)		37,100		-11,100
Modification of in-service equipment (TAC SAT)		29,900		-13,100
EUCOM C3 (NWS)		58,100		-8,500
Items less than $900,000 (A/V C-E)		8,800		-1,000
Items less than $900,000 (Tact A/V C-E)		3,200		-1,000
Piranha applique jammer modification kit		1,500		-2,700
Hand held laser rangefinder, AN/GVS-5	600	5,800	-500	-4,300
Bottle cleaning charging station, AN/TAM-4			-23	-6,900
Night vision goggles, AN/PVS-5		7,900		-5,400
Modification of in-service equipment (TAC EL)		27,300		-4,000
Items less than $900,000 (Tact Elec-C-E)		5,200		-1,000
Productivity investment funding		32,800		-5,100
Spares/repair parts (TELECOM)		174,300		-15,500
Spares/repair parts (other)		172,000		-6,100
War reserve spares		174,400		-10,800
Production base support (C-E)		17,000		-2,600
General reduction, C-E				-27,700
Total				-235,000

OTHER SUPPORT EQUIPMENT

Chemical agent alarm, XM81.—The Committee recommends deferral of the $1,300,000 requested for this chemical detection alarm because the program and contract award has been delayed.

Simplified collective protection equipment, XM20.—This modular equipment establishes a positive overpressure within an existing room to create a chemical free work environment. The Committee recommends deferral of the $2,600,000 requested because contract award is now scheduled for fiscal year 1985.

Ribbon bridge transporter.—The Committee recommends deferral of the $17,800,000 requested due to program slippages.

Items less than $900,000.—The Committee recommends a series of adjustments totaling $10,700,000 from the request of $37,000,000 for miscellaneous items costing less than $900,000. The request sought a 75-percent increase over last year without adequate justification.

Position/azimuth determining system.—The position/azimuth determining system assists artillery units to determine their location rapidly

and accurately. The Committee recommends a reduction of $2,100,000 from the request based on recent negotiated contract savings.

Other authorized adjustments.—The following is a list of the Committee recommended adjustments in agreement with congressionally authorized actions:

[In thousands of dollars]

	Committee recommendation	Adjustment to budget
JSTARS ground station	7,000	+7,000
Fort Devens training support	7,900	-7,000
NAVSTAR global positioning system		-2,400
Tac elec surv sys	5,400	-3,500
Reserve component equipment	15,000	+15,000
Training devices (nonsystem)	93,400	+15,000

Other reductions.—The Committee recommends a number of other reductions based on program adjustments identified by the Army and the Committee in lieu of the general reduction proposed in the authorizing legislation. These adjustments are shown in the following table:

[Dollar amounts in thousands]

	Committee recommendation		Adjustment	
	Quantity	Amount	Quantity	Amount
Air-conditioners	1,400	$11,600	-185	-$1,500
Heaters, duct	1,700	4,500	-380	-1,000
Hoseline outfit petroleum			-6	-1,600
Items less than $900,000 (water)		1,300		-1,000
Medical equipment		110,800		-20,000
Shop set, electrical repair			-100	-19,800
Grader	508	48,000		-3,000
Scraper	244	65,000		-1,600
Loader	737	47,800		-6,700
Tractor	212	12,500		-40,500
7.5-ton crane	80	17,000	-80	-13,000
140-ton crane			-9	-7,300
Landing craft utility			-4	-25,700
Shipping container			-449	-3,300
Forklift, 50,000 lb, rough terrain			-69	-15,900
Items less than $900,000 (MHE)		2,800		-600
Spares		36,600		-4,000
Base-level commercial equipment		71,365		-7,300
Production base support		18,200		-11,200
Total				-185,000

ITEMS OF SPECIAL INTEREST

Army calibration equipment.—The Committee remains concerned that the Army still has not resolved serious problems in its calibration program. The Army has failed to issue a final comprehensive report to include a detailed implementation plan for the acquisition of calibration equipment, as directed in the conference report accompanying the Department of Defense Appropriations Act, 1982, and as restated in the 1983 conference report.

The Army is specifically directed not to award any production contracts for calibration equipment before the issuance of the overdue comprehensive report without the prior approval of the Committee.

AIRCRAFT PROCUREMENT, NAVY

1983 appropriation	$10,416,107,000
1984 budget estimate	11,028,300,000
House allowance	9,994,245,000
Committee recommendation	10,321,701,000

The Committee recommends an appropriation of $10,321,701,000, a decrease of $706,599,000 below the President's budget request, and a $327,456,000 increase above the House allowance.

This appropriation finances the construction, procurement, production, modification, and modernization of aircraft, including ordnance systems, ground support equipment, flight simulators, spare parts, accessories, and specialized equipment, expansion of public and private plants.

PROGRAM RECOMMENDED

The following table compares the Committee recommendation with the budget estimate:

[Dollar amounts in thousands]

	Budget estimate		House recommendation		Committee recommendation		Change from budget	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Combat aircraft:								
A-6E (Attack) Intruder	6	$205,400	6	$205,400	6	$205,400		
Advance procurement		11,000		11,000		11,000		
EA-6B (Electronic warfare) Prowler	6	382,000	8	435,100	6	382,000		
Advance procurement		17,600		23,600		17,600		
AV-8B V/STOL	32	810,100	27	710,000	27	715,100	-5	-$95,000
Advance procurement		98,400		65,600		98,400		
F-14A (Fighter) Tomcat	24	886,500	24	792,400	24	792,400		-94,100
Advance procurement		178,800		178,800		178,800		
F-18 (Fighter) Hornet (MYP)	84	2,150,900	84	2,066,300	84	2,135,800		-15,100
Advance procurement		382,700		218,400		218,400		-164,300
Transfer						(22,100)		(+22,100)
CH-53E (Helicopter) Super Stallion (MYP)	11	221,800	11	183,100	11	196,800		-25,000
Advance procurement		7,300		2,900		6,600		-700
AH-1T (Helicopter) Sea Cobra advance procurement		17,811		17,811		17,811		
SH-60B (ASW HELO) Seahawk	21	446,900	21	397,900	21	427,900		-19,000
Advance procurement		58,800		58,800		58,800		
P-3C (Patrol) Orion	5	215,100	5	205,100	5	215,100		
Advance procurement		67,700		50,000		56,400		-11,300
EP-3	2	77,100					-2	-77,100
Advance procurement		12,400						-12,400
E-2C (Early warning) Hawkeye	6	309,600	6	259,900	6	304,600		-5,000
Advance procurement		25,600		25,600		25,600		
SH-2F (ASW HELO) Seasprite	12	109,800	6	44,700	6	58,700	-6	-51,100
Advance procurement		6,600						-6,600
Airlift aircraft:								
C-2 (MYP)	8	165,738	6	145,700	6	145,700	-2	-20,038
Advance procurement		37,500		37,500		37,500		

Trainer aircraft:								
T–34C	38	40,570	38	4,800		4,800	–38	–35,770
Adversary craft	4	29,100	4	29,100	4	29,100		
VTXTS (FCLP) advance procurement		4,900						–4,900
TH–57	21	31,362	21	31,362	21	31,362		
Other aircraft:								
KC–130R (Tanker) Hercules		15,666	2	47,900	2	47,900	+2	+32,234
ECX advance procurement		107,700		95,700		107,700		
FEWSG		26,400	1	20,400		20,400		–6,000
Modification of aircraft		1,430,276		1,361,953		1,396,551		–33,725
H–2 series		(12,113)		(11,113)		(11,113)		(–1,000)
H–3 series		(58,662)		(55,262)		(55,262)		(–3,400)
EP–3 series		(11,959)		(24,959)		(24,959)		(+13,000)
P–3 series		(159,026)		(149,301)		(149,301)		(–9,725)
S–3		(39,678)		(32,733)		(37,078)		(–2,600)
General reduction (mods)				(–30,000)		(–30,000)		(–30,000)
Spares and repair parts		2,139,569		1,988,311		2,098,369		–41,200
Support equipment and facilities		398,608		303,608		383,608		–15,000
Consultants, studies and analyses				–5,500		–5,500		–5,500
Revised economic assumptions		–99,000		–99,000		–99,000		

AV–8B V/STOL.—The AV–8B is a single-seat, single-engine, transonic attack jet aircraft capable of vertical/short takeoff and landing. This V/STOL capability combined with high performance and combat effectiveness provides the Marine forces with a quick reaction weapons system.

The Committee recommends $715,100,000 for procurement of 27 aircraft, a reduction of 5 aircraft and $95,000,000, as provided by congressional authorization; $98,400,000 is provided for advance procurement as requested.

F–14 Tomcat.—The F–14A aircraft is a two-seat, long-range interceptor designed to maintain area air superiority for the fleet. This aircraft may be equipped with Phoenix, Sparrow, and Sidewinder air-to-air missiles, and with other newer missiles now under development.

The Committee recommends a reduction of $94,100,000 in the budgeted procurement of 24 aircraft in agreement with the authorization legislation; $178,800 is provided for advance procurement.

F–18 Hornet.—The F–18 is a single-seat, two engine, supersonic aircraft designed to perform beyond-visual-range air intercept, fighter escort air superiority, air-to-surface strike and close air support missions against both land and sea targets.

The Committee recommends $2,135,800,000 for procurement of 84 aircraft in accordance with congressional authorization action. This is a reduction of $15,100,000 below the budget. Because Congress did not authorize the F–18 engine multiyear contract, $53,900,000 requested for advance procurement is not needed and is denied. An additional $22,100,000 provided in fiscal year 1983 for advance procurement on the engine multiyear contract is now available for transfer to offset the 1984 advance procurement request. Furthermore, Congress reduced the 1985 authorized production by 8 from the request of 94, permitting a further reduction of $88,300,000. The total recommended reduction to advance procurement is $164,300,000.

The Committee is strongly concerned that escalating cost and range and payload limitations make it highly questionable that the F/A–18 aircraft can effectively fulfill the Navy's sea-based attack mission. The Navy's own Operational Test and Evaluation Command reported that "replacing the A–7 with the F/A–18 will constitute a reduction in battle group standoff range from the enemy and/or a reduction in the ordnance delivered per aircraft on the target with no measurable increase in accuracy." Moreover, and contrary to the Navy's assertions, the Committee does not proceed on the assumption that innovative combat tactics and/or refueling techniques can adequately compensate at all times and under all circumstances for an aircraft which may be intrinsically ill-suited for this particular mission.

Accordingly, the Navy is directed to assess fully and realistically the feasibility and cost effectivness of reengining the A–7 or upgrading the A–6 aircraft as alternatives for fulfilling this mission. At the same time, the Navy should examine range-enhancing options for the F/A–18. In the absence of a satisfactory response by the Navy, the Committee is

disposed to reconsider future procurement of the F/A–18 aircraft for the sea-based attack mission.

F/A–18 ejection seat.—The Committee notes the provisions of last year's appropriation bill leading to the incorporation of a domestically manufactured ejection seat in the F/A–18 have been removed by the most recent defense authorization bill. The Committee continues to have strong interest in which ejection seat is used for the F/A–18. To this end, the Committee is encouraged by the current Navy plan to develop and competitively procure a common ejection seat for the F–14D, F/A–18, A–6, and T–45 and establish a competive leader-follower concept. Accordingly, the Committee has added $1,000,000 to the Navy R&D section to accelerate this program and to encourage the participation of domestic ejection seat producers in this program. Furthermore, the Committee is convinced that ejection seats are, indeed, an item which is suitable for cooperative development and procurement with U.S. allies. Moreover, the Committee recommends the adoption of bill language which will permit inclusion of foreign ejection seat manufacturers provided that the nation of such seat manufacturers permits U.S. manufacturers to compete in procurement for that nation's ejection seats.

AH–1T attack helicopter.—The Committee recommends the full budget estimate of $17,811,000 for advance procurement of 22 AH–1T attack helicopters. Further, the Committee will not object to the implementation of a substantial modification program known as the AH–1T–Plus as part of this procurement program. However, there is still concern over the manner in which this helicopter upgrade program has been developed and presented to Congress. There is still no budget request for a major part of this upgrade—the introduction of a T–700 engine. And we still do not have a clear picture of the total cost of this modernized helicopter acquisition program.

Committee support of the AH–1T–Plus program is based on the Marine Corps need for a suitably powered aircraft to carry the modernized weapon systems and avionics that are part of the upgrade. But the Committee still believes insufficient attention has been given to the long-term modernization requirements for the Marine Corps attack helicopter force.

In June 1982 the Commandant of the Marine Corps advised the Congress that three additional attack helicopter squadrons were planned for the Active Force and one for the Reserve. He further advised that the AH–64 Apache, now in production, appeared to be the most likely candidate for these additional squadrons. It is the Committee's understanding that the selection will be made after a thorough competition of all available attack helicopters.

Therefore, the Committee directs the Marine Corps and the Department of the Navy to initiate a thorough operational and cost analysis of candidate aircraft to fulfill the long-range attack helicopter requirements for the U.S. Marine Corps with the objective of conducting a competitive acquisition program to achieve future force modernization.

CH–53E Super Stallion.—The CH–53E is a three-engine, shipboard-compatable, Navy and Marine Corps heavy-lift helicopter.

The Committee recommends $196,800,000 for procurement of 11 helicopters. This is a reduction of $25,000,000 below the request, based on contract savings; $6,600,000 is provided for advance procurement for 10 aircraft in accordance with revised Navy plans. This is a recommended reduction of $700,000.

SH–60B Seahawk LAMPS III.—The light airborne multipurpose system (LAMPS) is a computer integrated, ship-helicopter system that increases the effectiveness of surface combatants in the ASW mission. The air vehicle is the SH–60B helicopter which provides a remote platform for deployment of sonobouys and torpedoes, processing of sensor information and elevated platform for radar and electronic warfare support measures (ESM).

The Committee recommends $427,900,000 for procurement of 21 helicopters. This is a reduction of $19,000,000, of which $14,000,000 is possible because of airframe and engine contract savings, and the balance of $5,000,000 is from the request for training simulators which was not justified.

P–3C Orion.—The P–3C is a land-based, four-engine, turboprop, antisubmarine warfare patrol plane.

The Committee recommends $215,100,000 for procurement of five aircraft and $56,400,000 for advance procurement, a reduction of $11,300,000 to support the procurement of five aircraft in 1985 as now planned.

EP–3.—The EP–3 is a P–3C aircraft minus the antisubmarine warfare (ASW) equipment and is specially equipped with avionics equipment to perform the electronic warfare mission.

The Committee recommends no 1984 funding since the Navy now plans to fill its requirements through modification of new or existing P–3 aircraft.

E–2C Hawkeye.—The E–2C is a carrier-based, twin-engine, turboprop early warning aircraft.

In agreement with the authorization legislation, the Committee recommends $304,600,000 for procurement of six fully equipped aircraft. This is a reduction of $5,000,000

SH–2F Seasprite (LAMPS MK–I).—The SH–2F is a twin-turbine helicopter designed to augment the antisubmarine warfare (ASW) capability of surface combatants. It complements the larger SH–60B LAMPS III.

A total of 36 SH–2F helicopters were funded by Congress in fiscal year 1983. These aircraft are, for the most part, under contract with deliveries scheduled to begin in November. The Navy was planning to buy 18 more of these aircraft—12 in fiscal year 1984 and 6 in fiscal year 1985. No additional aircraft were planned for procurement beyond fiscal year 1985.

In acting on the fiscal year 1984 request, the authorizing committees imposed heavy reductions on the program, allowing only $44,700,000 to procure six aircraft. No authorization was provided for advance procure-

ment for a fiscal year 1985 buy. In subsequent testimony, the Navy has indicated that the amount authorized is short $14,000,000 required to procure the quantity authorized. Consequently, the Committee recommends full funding for the six aircraft authorized through a reduction of $51,100,000 below the budget but $14,000,000 above the authorized level. A reduction of $6,600,000 in advance procurement, in agreement with the authorization, is recommended. However, since some advance procurement funds provided in fiscal year 1983 are now excess to the 1984 program, the Committee recommends that those funds be used to initiate the planned 1985 buy.

C–2 Greyhound.—The C–2 is a twin turboprop, personnel and cargo transport type aircraft capable of all-weather carrier operations. The internal payload configuration is variable, allowing combinations of passengers (28 maximum), medical evacuation litters (12 maximum), aircraft engines, repair parts, and other high-priority cargo.

The Committee recommends $145,700,000 for procurement of the six aircraft authorized as part of the third year of the multiyear procurement. This is a reduction of $20,038,000 below the budget, in agreement with the authorizing legislation.

T–34C Mentor.—The T–34C is a single-engine, turboprop, two-place primary training aircraft for which no 1984 procurement was authorized. However, the Committee does recommend $4,800,000 for procurement of T–34C training simulators as budgeted.

T–45B trainer (VTXTS).—The Committee does not recommend the budget estimate of $4,900,000 for advance procurement for two T–45B dry Hawk trainers and continues to question the Navy's dry-wet acquisition strategy. That strategy calls for the purchase of 50 T–45B Hawks, to be produced in the United Kingdom, that are not capable of carrier operation (dry), to be followed by U.S. production of T–45A Hawks that are modified for the rigors of carrier landings (wet). As stated last year, the Committee recommends moving directly into development and production of the wet Hawk as the best and least costly approach to getting the next generation of advance trainer operational. This strategy also delays for 2 years the need for the Navy to support yet another aircraft production line.

With some additional research and development funding next year, the T–45A carrier qualified version of the British Hawk will be ready for production in 1987. The Navy is encouraged to meet that target, and the denial of T–45B funding does not imply any lack of Committee support for the overall Hawk trainer program.

. *KC–130R (Tanker) Hercules.*—The KC–130R is a basic C–130 aircraft with updated avionics, modified for aerial refueling of fighter and attack aircraft.

The Committee recommends $47,900,000 for two KC–130R's, plus ground-support equipment, training equipment, and publications for previously approved aircraft. This is an authorized increase of $32,234,000 above the budget.

FEWSG aircraft.—The fleet electronic warfare support group aircraft is a specially configured used B707/DC–8 that serves as the nucleus of

the fleet's "aggressor" (Orange) force. It employs tactics, procedures, equipment vans and specially configured aircraft to simulate various threats for hardware evaluations, fleet readiness exercises and fleet operational training.

The Committee recommends a reduction of $6,000,000 in the amount requested for procurement of one of these used aircraft, based on today's favorable market conditions. An appropriation of $20,400,000 is recommended.

Modification of Navy aircraft.—The Committee recommends $1,396,551,000 for various improvements and modifications to Navy aircraft. The Committee agrees with the authorized reductions totaling $46,725,000 to the H–2, H–3, P–3, S–3 series, and a general reduction. These modification programs are intended to extend the service life of aircraft in the force and also improve their capability to operate against a changing threat. In addition, the Committee recommends an addition of $13,000,000 to start the EP–3 modernization program.

The Committee notes the conference report on the 1984 authorization legislation intended the Navy to install 36 TACNAVMOD kits on Naval Reserve P–3 aircraft. The Navy advises that the full 36 are not needed and that the Chief of Naval Reserve has agreed that the total requirement for TACNAVMOD kits is 27. Since only 19 kits were budgeted, the Committee directs that no more than 27 be procured so as to minimize the impact on other authorized and budgeted P–3 modification programs.

Navy aircraft spares and repair parts.—The Committee recommends a reduction of $41,200,000 below the budget in providing $2,098,369,000 for procurement of spares and repair parts. These funds provide for centrally managed, high dollar value, depot repairable assemblies, components, and repair parts such as engines, transmissions, and gear boxes. This adjustment alines funding with other Committee recommendations.

Navy aircraft support equipment and facilities.—The Committee recommends $383,608,000 for ground support equipment and other production charges. This is a $15,000,000 reduction in agreement with the authorization.

Consultants, studies, and analyses.—Earlier this year the Secretary of Defense directed funding for consultants, studies, and analyses be held at the fiscal year 1983 rate of spending. The recommended general reduction of $5,500,000 implements the Secretary's direction and denies the near doubling for professional and management services by contract that was budgeted.

Weapons Procurement, Navy

1983 appropriation	$3,561,700,000
1984 budget estimate	3,992,600,000
House allowance	3,767,832,000
Committee recommendation	3,764,900,000

The Committee recommends an appropriation of $3,764,900,000, a decrease of $227,700,000 below the President's budget request and $2,932,000 below the House allowance.

This appropriation finances the construction, procurement, production, modification, and modernization of strategic and tactical missiles, torpedoes, other weapons, and related support equipment, including spare parts and accessories; and expansion of public and private plants.

PROGRAM RECOMMENDED

The Committee recommendations and budget estimates are summarized below by activity:

[Dollar amounts in thousands]

	Budget estimate		House recommendation		Committee recommendation		Change from budget	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
BA–1 ballistic missiles:								
UGM–73A (C–3) Poseidon		$1,000		$1,000		$1,000		
UGM–96A (C4) Trident I	52	587,200	52	523,400	52	587,200		
Modification of missiles		9,700		9,700		9,700		
Support equipment and facilities		17,100		17,100		17,100		
BA–2 other missiles:								
Strategic missiles:								
BGM–109 Tomahawk	124	350,100	124	313,900	124	313,900		–$36,200
Advance procurement		22,700		22,700		15,500		–7,200
Tactical missiles:								
AIM/RIM–7 F/M Sparrow	695	153,700	695	153,700	695	153,700		
AIM–9L/M Sidewinder	350	29,600	350	29,600	350	29,600		
AIM–54A/C Phoenix	290	320,800	265	300,800	265	300,800	–25	–20,000
Advance procurement		77,600		36,600		36,600		–41,000
AGM–84A Harpoon	330	294,300	315	284,300	315	284,300	–15	–10,000
AGM–88A HARM	230	192,900	230	192,900	230	152,900		–40,000
Prior year transfer						(40,000)		(+40,000)
Standard missiles (MYP)	1,190	595,700	1,190	595,700	1,190	595,700		
RAM		13,400		13,400		13,400		
Hellfire	219	17,100	219	17,100	219	17,100		
Laser Maverick	165	45,200	165	45,200	165	45,200		
Aerial targets		112,900		112,900		112,900		
Other missile support		3,400		3,400		3,400		
Penquin advance procurement				5,000				
Modification of missiles		59,300		59,300		59,300		
Support equipment and facilities		225,500		225,500		225,500		
Ordnance support equipment		14,700		14,700		14,700		
Navy—Torpedoes:								
Torpedo MK–48	144	124,600	144	124,600	144	124,600		
Torpedo MK–46 (MYP)	1,200	218,100	1,200	213,100	1,200	183,000		–35,100
Advance procurement		29,900		29,900		29,900		
MK–60 Captor	300	105,400	300	73,900	300	78,500		–26,900
Transfer						(26,900)		(26,900)

Mobile target MK-30 (MYP)	7	14,700	7	14,700	7	17,600	+2,900
Advance procurement		7,400					-7,400
MK-38 mini mobile target	1,200	2,000	1,200	2,000	1,200	2,000	
Antisubmarine rocket (ASROC)		17,300		17,300		17,300	
Modification of torpedoes and relater equipment		111,800		111,800		111,800	
Support equipment		72,100		72,100		72,100	
Other weapons:							
Guns and gun mounts		158,500		152,200		151,700	-6,800
MK-15 CIWS		(126,700)		(120,400)		(120,400)	(-6,300)
Transfer						(6,300)	(+6,300)
9mm handgun		(500)		(500)			(-500)
Modifications of guns and gun mounts		13,600		13,600		13,600	
Support equipment		9,300		9,300		9,300	
Revised economic assumptions		-36,000		-36,000		-36,000	
General reduction, spares				-8,568			

BGM–109 Tomahawk.—The Tomahawk cruise missile is designed as a long-range nuclear or conventionally armed land attack weapon and as a conventionally armed antiship weapon. The Tomahawk is capable of being deployed from a variety of air, surface ship, submarine, and land platforms.

The Committee recommends a reduction of $36,200,000 on the procurement of 124 missiles in 1984 as provided for in the authorizing legislation.

A reduction of $7,200,000 in advance procurement funding is recommended in line with the Navy's plan to lower 1985 production from 353 to 120 missiles. Further, the Committee directs that no conventional land attack missiles (TLAM-C) be produced until Congress is notified that the missile has successfully completed its operational evaluation to include demonstration of the terminal dive maneuver.

The Committee wishes also to express its deep concern over the management of the Tomahawk cruise missile program. The Navy has recently gone to great lengths to convince the Committee to allow the use of extraordinary capital investment clauses which have allowed the Navy to develop a second source for the Tomahawk missile without the normal upfront funding required by public law. The Committee's reluctant approval of this approach to acquisition was based on assurances from the Navy that it would promptly put the Tomahawk into production at a rate that would provide sufficient incentives for meaningful competition.

It now appears that the Navy has aborted this plan and has allowed itself to become mired in what amounts to two sole source situations. By curtailing Tomahawk production at the same time as it entangled itself in generous termination agreements and contractual assurances of minimum production rates, the Navy has committed the taxpayers to the costly proposition of financing the development of a second production source when the number of missiles to be competed amounts to only four missiles per month until the late 1980's.

The Committee accordingly directs that the Cost, Analysis, Improvement Group of the Office of the Secretary of Defense review the second sourcing program for Tomahawk airframes and guidance components, and that the Secretary report to the Committee whether the second sourcing plan has been found cost effective and sound.

AGM–88A missile (HARM).—The HARM is an air-to-surface antiradiation missile designed to destroy or suppress land and sea based radar equipment that direct air defenses. The HARM missile is compatible with various Navy and Air Force tactical aircraft.

The Committee recommends $152,900,000 for procurement of 230 missiles for the Navy, a reduction of $40,000,000.

The Department recently sought approval to continue sole source procurement of the HARM missile coincident with the accelerated development of a low-cost alternate seeker. Originally, the Committee did not favor this approach because programed production would be nearly completed before the low-cost seeker would be available. In turn, the

Committee favored establishing a competitive second source of production as the best means of reducing costs.

However, the Department recently informed the Committee that total procurement of the current missile may be reduced significantly. As a result, the Committee cannot now continue to recommend establishing a second source of production and reluctantly supports the Department's plan to continue sole source procurement. Pending receipt of more details of the revised program, the Committee recommends transferring forward the $40,000,000 provided last year to establish a second source. If any of these fiscal year 1984 HARM funds are not needed for the restructured program, then they can be considered as a source of funds for the low cost seeker development program envisioned by the Department.

Laser Maverick.—The Committee recommends the budget request of $45,200,000 for the Marine Corps laser Maverick air-to-ground missile. For fiscal year 1983, funds in the amount of $31,400,000 were provided for the initiation of production and delivery of 12 missiles. The request for fiscal year 1984 is for the procurement and support of 165 missiles. The Committee has been advised that recently completed negotiations provide for the production of a total of 275 tactical missiles for the combined fiscal years 1983–84 buy within the total of $76,200,000 appropriated for the program in 1983 and 1984. Furthermore, not-to-exceed firm fixed price options for 3 more years have been negotiated. The Committee has no objection to the procurement of the maximum number of missiles with the funds provided in fiscal year 1983 and recommended for fiscal year 1984.

MK–46 torpedo.—The MK–46 is the in-service conventional lightweight torpedo designed for launch from surface vessel tubes, antisubmarine rocket, plus fixed and rotary wing aircraft. The MK–46 mod 5 (Neartip) torpedo is an improved version of the existing MK–46 torpedo.

The Committee recommends a reduction of $35,100,000 in the 1984 multiyear procurement program based on negotiated multiyear contract savings.

MK–60 Captor encapsulated torpedo.—The Captor mine is a moored, antisubmarine mine that launches an appropriately modified MK–46 torpedo against submerged submarines while rejecting surface targets.

The Committee recommends $78,500,000 for procurement of 300 MK–60 torpedoes, a reduction of $26,900,000, and a transfer of $26,900,000 in 1983 funds which the Department has attempted to reprogram out of the program. This recommendation fully funds the 1984 program.

Mobile target, MK–30.—The MK–30 mobile target is a mobile ASW target vehicle.

The Committee recommends $17,600,000 for procurement of seven MK–30's. This is $2,900,000 over the budget and is needed for the 1984 procurement now that multiyear procurement was disapproved by Congress.

MK-15 close-in weapons system.—The MK-15 system provides high rate, radar directed defense suppression fire for the surface fleet. The Committee recommends a 1984 reduction and offsetting transfer of $6,300,000 in 1983 funds in the MK-15 program.

9mm handgun.—The 9mm handgun is the new standardized DOD handgun. Since procurement funding for the major users of this weapon, the Army and Marine Corps, was not authorized, the Committee recommends deferring the contract award on this program from September 30, 1984, to early fiscal year 1985. Such delay will insure that there is adequate initial funding for the entire joint program. Accordingly, no funds are recommended for this Navy program, or for the 1984 Air Force procurement. This is a reduction of $500,000.

Other authorized adjustments.—The following is a listing of the Committee recommended adjustments in agreement with congressionally approved authorization actions:

[Dollar amounts in thousands]

	Amount recommended		Adjustment to budget	
	Quantity	Amount	Quantity	Amount
AIM-54A/C (Phoenix)		$300,800		-$20,000
AIM-54A/C (Phoenix) (AP-CY)		36,600		-41,000
AGM-84A Harpoon		284,300		-10,000
Mobile target MK-30 (MYP) (AP-CY)				-7,400

SHIPBUILDING AND CONVERSION, NAVY

1983 appropriation	$16,252,900,000
1984 budget estimate	12,585,800,000
House allowance	10,913,650,000
Committee recommendation	11,184,200,000

The Committee recommends an appropriation of $11,184,200,000 and transfers of $227,600,000 from prior year funds. This is a decrease of $1,401,600,000 below the budget estimate and $270,550,000 above the House allowance.

This appropriation finances the construction, acquisition, or conversion of vessels, including armor and armament, plant equipment, appliances, and machine tools for production plants and facilities; and procurement of long leadtime components and designs of vessels.

PROGRAM RECOMMENDED

A comparative table of the Committee recommendations and the budget estimates follows:

[Dollar amounts in thousands]

	Budget estimate		House allowance		Committee recommendation		Change from request	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Fleet ballistic missile ships:								
Trident (Nuclear)	1	$1,525,600	1	$1,398,400	1	$1,402,500		-$123,100
Advance procurement		306,500		306,500		306,500		
TAK resupply ship		900		900		900		
Advance procurement								
Other warships:								
SSN-688 class submarine (Nuclear)	3	1,706,400	3	1,652,000	3	1,706,400		
Advance procurement		336,000		336,000		168,000		-168,000
Battleship reactivation		57,700		57,700		57,700		
Advance procurement								
CV SLEP		95,900		95,900		95,900		
Advance procurement	3	3,431,400	3	3,196,950	3	3,356,400		-75,000
CG-47 AEGIS cruiser (MYP)		3,600		3,600		3,600		
Advance procurement		99,500		53,000		79,000		-46,500
DDG-51	1	326,900	1	325,500	1	326,900		
Advance procurement		182,100		80,000		80,000		-102,100
Amphibious ships:	1	1,379,700	1	1,365,700	1	1,379,700		
LSD-41 landing ship dock (MYP)		13,800						-13,800
Advance procurement								
LHD-1 amphibious assault ship								
LPD-4 SLEP								
Advance procurement								
Mine warfare and patrol ships:								
MCM mine countermeasures ship	4	381,000	2	221,000	3	301,000		-80,000
MSH-1 coastal mine hunter	1	65,000	1	65,000	1	65,000		
FFG-7 frigate			1		1	116,400		+116,400
(Transfer)						(183,600)		(+183,600)

[Dollar amounts in thousands]

	Budget estimate		House allowance		Committee recommendation		Change from request	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Auxilliaries, craft:								
TAO fleet oiler	3	$524,600	2	$349,900	2	$335,500	.....	-$189,100
TAGS survey ship	.....	.....	.....	.....	.....	.....	.....	.....
Advance procurement	.....	34,500	.....	34,500	.....	17,000	.....	-17,500
TAKR fast logistics ship	4	246,500	4	219,000	4	236,400	.....	-10,100
TAH hospital ship	1	260,000	1	210,000	1	176,000	.....	-84,000
(Transfer)	.....	.....	.....	.....	.....	(44,000)	.....	.....
TAFS combat stores ship	1	16,100	1	11,000	1	11,000	.....	-5,100
Service craft	.....	119,300	.....	114,300	.....	119,300	.....	.....
Landing craft	.....	15,000	.....	5,000	.....	5,000	.....	-10,000
Strategic sealift	.....	31,000	.....	31,000	.....	31,000	.....	.....
LCAC landing craft	9	131,600	6	127,600	6	131,600	.....	.....
Advance procurement	6	29,500	.....	.....	.....	29,500	.....	.....
Outfitting	.....	204,200	.....	204,200	.....	204,200	.....	.....
Post delivery	.....	124,200	.....	114,200	.....	124,200	.....	.....
Cost growth	.....	674,700	.....	475,300	.....	458,100	.....	-216,600
Escalation on prior-year programs	.....	375,600	.....	.....	.....	.....	.....	-375,600
Consultants	.....	(67,761)	.....	-27,500	.....	-27,500	.....	-27,500
Budget amendment	.....	-113,000	.....	-113,000	.....	-113,000	.....	.....

Trident submarine.—The Trident is a nuclear submarine equipped with 24 long-range Trident II strategic ballistic missiles, designed for a 9-year operating cycle between overhaul/refueling, and an operating life in excess of 20 years.

The Committee recommends a reduction of $123,100,000 due to revised estimates of basic construction costs for the 11th Trident submarine. Given the current market conditions and labor rates, the Navy should renegotiate the contract option for this ship.

SSN 688.—The SSN 688 class nuclear attack submarine is equipped with Mark–48 torpedoes, Harpoon and Tomahawk cruise missiles and capable of long endurance submerged patrols.

The Committee recommends full funding as requested for the construction of three ships and $168,000,000 for long-lead equipment for follow-on submarines. Prior-year appropriations of $404,000,000 and this allowance should be rephased to accomplish a realined construction rate of not more than three ships per year. The recommended building rate will permit a more orderly induction of planned fiscal year 1985 modifications to the design for improved SSN–688 class ships. The Navy is currently evaluating these modifications and aspects of the new design ship to be incorporated into the base SSN–688 design. Until a firm plan for the improved SSN–688 and new design submarine is developed the Committee recommends the present construction rate of three ships per year should be maintained.

Battleship reactivation.—The *Iowa* class is a 58,000 ton battleship armed with cruise missiles, 16-inch and 5-inch guns and a complement of 1,562 officers and enlisted personnel.

The Committee recommends approval of budgeted long-lead funds for the reactivation of the third battleship, U.S.S. *Missouri*, planned for fiscal year 1985. When the Navy announced plans for the reactivation of the four *Iowa* class battleships, the proposed program included two phases of industrial work; phase I would return the ships to serviceable condition and phase II was planned as a modernization effort to be accomplished after reactivation. Phase II estimates range from $300,000,000 to over $1,000,000,000 contingent upon which aspects of the upgrade are selected. The utility of future battleship reactivations should be evaluated based on the Navy's phase II plans. Therefore, the Committee has included language in the bill requiring a report on the status of the phase II program, to include cost and schedule data, prior to obligation of fiscal year 1984 advance procurement funds.

CG–47 Aegis cruiser.—The CG–47 is a new class of cruiser, employing the hull and gas turbine propulsion system of the *Spruance* class destroyer. The ship is equipped with the Aegis/SM–2 weapon system, Harpoon, 5-inch guns, LAMPS III helicopters, tactical array sonar, and other advanced systems augmented by passive protection features.

The Committee recommends $3,356,400,000 for construction of the 11th, 12th, and 13th cruisers. In addition, $3,600,000 is recommended for economic order quantity advance procurement to support the MK–45 gun mount and ammunition hoist to be procured under a multiyear contract.

The recommended reduction of $75,000,000 decreases program management reserves. The CG–47 Aegis cruiser program request includes contingency funds more than triple the amount budgeted in any other shipbuilding program. The Committee recognizes the prudence to budget some margin of reserve to cover unexpected cost increases in the future, but the CG–47 cruiser program contingency estimates have unjustifiably increased beyond a level which can be considered reasonable.

DDG–51.—The DDG–51 *Arleigh Burke* class guided missile destroyer is a new design ship planned for construction beginning in fiscal year 1985.

The Committee recommends funding for advance procurement funds for long-lead equipment at the authorized level. The Department of Defense has slipped the schedule for a production decision on the program until later this year. Consequently, the Committee allowance provides sufficient funds to begin advance procurement of equipment based on revised leadtime schedules.

The Navy has changed the ship design and characteristics of the DDG–51 lead ship several times since the budget submission. Earlier this year the program was removed from design competition and brought in-house. Due to the revisions which have been experienced with the program, the Committee expects to be advised on cost estimates, construction schedules, and basic ship characteristics before advance procurement funds are obligated.

FFG–7 guided missile frigate.—The FFG–7 class frigates are surface combatants designed for antisubmarine warfare missions. These ships are equipped with tactical array sonar systems, LAMPS III helicopters, and SM–1 surface-to-air missiles. The Committee recommends an appropriation of $300,000,000 of which $183,600,000 is to be derived by transfer from prior-year accounts, as directed in the bill, for the construction of one FFG–7 class frigate. Although no funds were requested for this purpose, the authorization, compelled by industrial considerations, included authority sufficient for one vessel. While the Committee is pursuaded of the need to continue the FFG–7 program, it expects the ship construction contract to be awarded on a competitive basis to assure maximum cost efficiency.

The following table displays the sources for transfer by year of appropriation and ship program:

[In millions of dollars]

Program	1980	1981	1982	1983
FFG–7	26.5	19.1	23.5	2.4
SSN–688			14.6	7.0
TAGOS			3.4	
Escalation			24.5	31.0
Trident				8.3
CVN				23.3

LSD–41 landing ship dock.—The LSD–41 is a diesel propelled amphibious assault ship. The Committee recommends an allowance of $326,900,000 for the construction of one LSD–41 class ship and $80,000,000 for advance procurement of follow-on ships of the class. The favorable competitive environment for this program, in the Committee's judgment, virtually guarantees savings comparable or better to those available under a multiyear program as requested.

While the required multiyear funds of $102,100,000 are not recommended, bill language permits a multiyear contract under certain conditions. If real savings of at least 10 percent can be achieved under a multiyear contract, the Committee will consider a Navy reprograming to cover such costs. Reprograming approval must be secured from the Appropriations Committees prior to contract award. The Committee has recommended these contractual options to assure that price will be the prime consideration for source selection.

LPD–4 (SLEP).—The request includes funds to begin a service life extension program for the LPD–4 class transport ships. These vessels are capable of transporting troops, vehicles, and equipment through the deployment of helicopters and landing craft in an amphibious assault. The Committee recommends no funds in conformance with the authorization.

Mine countermeasures ship (MCM).—The MCM–1 class ships are designed to replace the aged MSO class minesweepers. These new ships will conduct mine clearance operations using state of the art mine neutralization systems, mechanical sweep equipment, and improved navigation systems. The Committee recommends funding for three MCM ships, a reduction of one ship and $80,000,000 from the request, in conformance with authorization.

T–AO fleet oiler.—The allowance provides for two fleet oilers as authorized in fiscal year 1984. The recommended level is based on actual contract option prices, revised escalation factors, current budget estimates for future change orders and diesel engine technology transfer costs. Although prior-year excess funds are available to offset the allowance, the Committee directs these savings be used to begin design of a AO–177 class oiler modification to expand the capacity of these ships from 120,000 to 180,000 barrels of fuel.

TAGS survey ship.—The Committee recommends a $17,500,000 reduction from the request for TAGS ocean survey ship conversion advance procurement. The budget is based on the planned conversion of two aged Ready Reserve vessels at considerable cost. Given the current commercial market conditions, the Navy should consider either newer candidate hulls for conversion or new construction as alternatives to the current plan. Based on these factors the allowance provides sufficient funds for long-lead mission equipment, engines, and financing for competitive design alternatives. The Committee expects that a firm procurement strategy for this program will be presented along with any request for full funding in the fiscal year 1985 budget.

TAKR fast logistic ship.—The Committee recommended allowance for four SL–7 fast logistic ship conversions is offset by prior-year contract savings, reduced sea-shed procurement prices, and lower contingencies to be reprogramed from the fiscal years 1982 and 1983 appropriations.

TAH hospital ship.—The Committee recommends a new appropriation of $176,000,000 and transfers of $44,000,000 from the fiscal year 1983 appropriation for the conversion of one TAH hospital ship. This is the second of two ships planned for conversion to a hospital ship configuration using commercial candidate hulls. The allowance is based on actual contract options for conversion, updated estimates for other expenses, and reductions from changes orders and cost growth reserves.

Original estimates were based on acquisition costs for candidate hulls in excess of the fair market value for such ships. The Committee advised the Navy earlier this year that contract prices assuming costs in excess of fair market value would be unacceptable, and the allowance has been reduced accordingly.

The Navy currently holds an option price for the conversion of the second ship to be funded through fiscal year 1984 appropriations. In view of the vigorous competitive environment for these conversions, the Navy should seriously consider the cost effectiveness of recompeting the second conversion. Concerns have been raised to the Committee which suggest that lower prices could have been attained in the first award. A review of recompeting the second ship award will determine the validity of a further savings potential.

TAFS combat stores ships.—The Committee recommends an appropriation of $11,000,000 for the purchase of the United Kingdom's Royal Auxiliary ship *Stromness* which the Navy plans to modify to a TAFS stores ship configuration. The allowance is $5,100,000 below the request due to revised foreign currency exchange rates.

Service craft.—The Committee allowance for service craft includes funds for 9 YTB tugs, 14 YC lighter craft, 5 YF floating cranes, 5 YP patrol craft, and the lead ship of the PBM multimission patrol boat program. The $6,000,000 reduction is based on revised prices on the YP patrol boats, offset by an increase of $6,000,000 to finance two wingwall cranes for the floating drydock at the fleet ballistic missile submarine facility at Holy Loch, Scotland.

Landing craft.—An allowance of $5,000,000 is recommended, a reduction of $10,000,000 from the request due to revised procurement schedules and contract prices for LCM–8 landing craft.

. *Strategic sealift.*—The budget includes $31,000,000 for the purchase of an unspecified number of commercial ships to augment the Ready Reserve Fleet. While the Committee has agreed to recommend funding for this purpose, the Navy is expected to consult the Committees on Appropriations prior to obligation of funds.

The Navy is considering an acquisition strategy which may include incremental financing methods contrary to appropriation full funding principles. If the terms and conditions of such procurements prove to be favorable to the Government, the Navy must seek approval from the

Appropriations Committees for the obligation of fiscal year 1984 funds and must provide a financing plan which demonstrates full funding by reprograming or future budget requests.

Post delivery.—The Committee does not concur in the House reduction of $10,000,000 for incidental costs to correct technical deficiencies after ship deliveries. The House allowance reduced funds since the T–AGOS ship deliveries have slipped beyond the budgeted estimate. The Committee allowance considers the effect of the slippage, but also accommodates the early delivery of two frigates not anticipated when the budget was submitted.

Consultants, studies, and analyses.—Earlier this year the Secretary of Defense directed funding for consultants, studies, and analyses be held at the fiscal year 1983 rate of spending. The recommended general reduction of $27,000,000 implements the Secretary's direction and denies the near doubling for professional and management services by contract that was budgeted.

Cost growth on prior-year programs.—The recommended allowance of $458,100,000 is $216,600,000 below the budget request for program cost increases related to prior-year shipbuilding programs. Funding for fiscal year 1982 SSN–688 contract modifications and revised cost estimates as may be applied for Trident ships is recommended. Deletion of $107,300,000 from the request for CG–47 second source costs conforms to the authorization.

The recommended $326,700,000 fully funds Trident II missile system related modifications aboard the SSBN–734, the fiscal year 1981 Trident submarine. This funding level reflects the decrease of $41,000,000 from strategic weapon system costs since previously appropriated funds for Trident I related systems may be used for Trident II components; $23,700,000 from the estimates for basic construction changes which were overstated; and deletion of $44,600,000 from escalation which is unjustified since the estimate exceeds the value of the change order for which an escalation clause would apply.

The Committee is mindful that the request for SSBN–734 cost growth was justified by the Navy as funds for lead ship startup and nonrecurring costs related to the Trident II missile system. However, the Navy is currently applying these one-time costs against funds approved in both fiscal year 1981 and 1983 appropriations although this is the first formal budget request to fund lead ship costs. In view of this financing arrangement, the Committee must conclude that adequate resources are available to cover any contingency and will not consider any future funding request for the program.

Escalation on prior-year programs.—The Committee recommends deletion of $375,600,000 from the budget request for escalation on prior-year programs in conformance with the authorization.

Current budgeting procedures require escalation allowances for each ship to conform to current administration projections for inflation through the planned construction period. Consequently, the fiscal year 1984 request includes prior-year ship program estimate adjustments based on the current escalation index through the 5-year plan, conclud-

ing with fiscal year 1988. Budgeting for escalation based on the current index is prudent fiscal policy and in complies with the full funding concept for new ship programs. However, adjustments to prior-year programs to reflect long-term inflation projections are excessive and unreliable.

The Committee directs the Navy to maintain the financial policy of budgeting full funding requests for new ships based on a current escalation index through the construction period. Any future budget requests for escalation on prior-year programs may reflect adjustments to end cost baselines through the budget year, but not beyond.

Extension of appropriation availability.—The Committee recommends new bill language to extend the availability of the fiscal year 1984 appropriation beyond 5 years for selected obligations. Over the last few years the Navy has had to seek reappropriations for prior-year programs when the original appropriations were due to expire before ship construction was complete. Reappropriation permits obligations beyond the expiration date of the original appropriation.

In order to eliminate the need for future reappropriation requests, the new bill language would permit obligations beyond appropriation expiration for engineering services, tests, evaluations, and other such budgeted work that must be performed in the final stage of ship construction. Additional recommended language permits similar obligations from previously appropriated funds for these purposes. The Committee stresses that this language is applicable only to such work included in the original ship construction program for which funds were appropriated. Any change in ship specifications, not otherwise covered by budgeted change order allowances, constitutes new scope work and must continue to be covered by cost growth budget requests.

The Navy is expected to adhere to these guidelines in a manner commensurate with the current definitions for reappropriation. Deviation from the Committee direction will force a reconsideration of this enabling bill language.

OTHER PROCUREMENT, NAVY

1983 appropriation	$3,727,075,000
1984 budget estimate	4,887,501,000
House allowance	4,295,412,000
Committee recommendation	4,393,705,000

The Committee recommends an appropriation of $4,393,705,000, a decrease of $493,796,000 below the President's budget request, and $98,293,000 above the House allowance.

This appropriation finances the procurement of major equipment and weapons other than ships, aircraft, missiles, torpedoes, and guns. Equipments range from the latest electronic sensors for updating of naval forces to trucks, training equipment, and spare parts.

PROGRAM RECOMMENDED

The Committee recommendation and budget estimate are displayed below:

[Dollar amounts in thousands]

	Budget estimate		House allowance		Committee recommendation		Change from budget	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Ship support equipment		$730,460		$673,909		$677,007		-$53,453
Communications and electronics equipment		1,703,305		1,562,750		1,555,233		-148,072
Aviation support equipment		831,206		686,757		715,928		-115,278
Ordnance support equipment		992,297		926,162		926,162		-66,135
Civil engineering support equipment		234,662		196,622		196,622		-38,040
Supply support equipment		117,162		112,474		113,662		-3,500
Personnel/command support equipment		368,398		267,601		323,091		-45,307
Budget amendment adjustment		11						-11
General reductions, spares				-16,863				
Undistributed reduction				-20,000		-20,000		-20,000
Consultants, studies and analyses				-4,000		-4,000		-4,000
Revised economic assumptions		-90,000		-90,000		-90,000		

COMMITTEE RECOMMENDED ADJUSTMENTS

SHIP SUPPORT EQUIPMENT

Torpedo retrievers.—A reduction of $4,453,000 is recommended in the request for four torpedo retrievers based on favorable contract negotiations.

COMMUNICATIONS AND ELECTRONICS EQUIPMENT

AN/BQQ–5 sonar.—The budget requested funds for 15 AN/BQQ–5 updated conversion kits to meet scheduled ship overhauls which are frequently and historically delayed. In anticipation of these historical changes, the Committee recommends deferral of $7,500,000 for one sonar. Similar reductions in the 1983 program have been made by the Navy.

AVIATION SUPPORT EQUIPMENT

AN/SSQ–77 (VLAD).—A reduction of $15,226,000 is recommended in the request for AN/SSQ–77 (VLAD) sonobuoy based on favorable contract negotiations.

Machine gun ammunition.—The Committee recommends a reduction of $5,459,000 in the funds requested for establishing a second source of production for 25mm ammunition. The selected second source used corporate funds and the requested funds are no longer needed.

Cartridges and cartridge actuated devices.—Based on the GAO's review of the proposed 1984 ammunition program, the Committee recommends a total reduction of $4,477,000 for JAU–22B initiators which cannot be delivered within the funded delivery period and for CCU–44/B impulse cartridges which will exceed inventory requirements.

Jet assist takeoff motors (JATOS).—Based on the GAO's review of the 1984 ammunition program, the Committee recommends a reduction of $4,324,000 for MK 25 rocket motors which cannot be delivered within the funded delivery period.

Airborne mine countermeasures.—The Committee recommends a reduction of $8,001,000 based on favorable contract negotiations and a decision to complete some of the work in-house at lower cost.

ORDNANCE SUPPORT EQUIPMENT

5-inch/54 ammunition components.—The GAO has reported that the 5-inch/54 caliber ammunition request is overstated by $4,138,000. Accordingly, the Committee recommends a $4,138,000 reduction.

CIVIL ENGINEERING SUPPORT EQUIPMENT

Amphibious equipment.—In addition to the $15,000,000 reduction made in agreement with the authorizing legislation, the Committee earmarks $8,000,000 of the $35,000,000 provided for amphibious equipment for the procurement of a rapidly deployable bulk liquid cargo offload system from domestic sources, to include a single point mooring system and flexible pipeline to shore. Such funds shall be expended for this project unless deemed unnecessary by the Navy.

SUPPLY SUPPORT EQUIPMENT

Supply test equipment.—The Committee recommends a reduction of $3,500,000 based on the Service's advice that these funds are now excess to their 1984 program.

GENERAL

Consultants, studies, and analyses.—Earlier this year the Secretary of Defense directed funding for consultants, studies, and analyses be held at the fiscal year 1983 rate of spending. The recommended general reduction of $4,000,000 implements the Secretary's direction and denies the near doubling for professional and management services by contract that was budgeted.

Other authorization adjustments.—The Committee recommends the following additional adjustments in agreement with the authorizing legislation:

[In thousands of dollars]

	Committee recommendation	Change from budget
Undistributed reduction, ship support equipment	-49,000	-49,000
ICAD systems	25,100	-1,636
SES modernization	3,900	-1,419
Undistributed reduction, communications of electronics equipment	-137,500	-137,500
AN/SSQ-62 (DICASS) (MYP)	33,800	+4,023
Advance procurement		-53,196
General purpose bombs	77,500	-4,976
Laser guided bomb kits	4,013	-5,900
Practice bombs	57,500	-11,518
Bigeye chemical weapon[1]		-21,511
Gator	18,700	-6,224
Undistributed reduction, ordnance support equipment	-61,997	-61,997
Earth moving equipment	10,000	-6,976
Amphibious equipment	35,000	-15,099
Collateral equipment	10,000	-4,065
Fleet hospital support equipment	57,550	-11,900
Training support equipment	8,144	-3,000
Medical support equipment	29,401	-6,200
Operating forces support equipment	11,984	-2,300
Naval Reserve support equipment	3,900	-1,571
Environmental support equipment	5,044	-2,200
Computer acquisition program	78,900	-30,036
Undistributed reduction	-20,000	-20,000

[1] Fiscal year 1984 funding deleted by September 1983, budget amendment.

PROCUREMENT, MARINE CORPS

1983 appropriation	$2,008,083,000
1984 budget estimate	1,835,049,000
House allowance	1,694,793,000
Committee recommendation	1,748,461,000

The Committee recommends an appropriation of $1,748,461,000, a decrease of $86,588,000 below the President's budget, and $53,668,000 above the House allowance.

This appropriation provides the Marine Corps with funds for the procurement, delivery, and modification of missiles, armament, ammuni-

tion, communication equipment, tracked and wheeled vehicles, and various support equipment.

Committee recommendations, summarized by budget activity, will provide the following program for fiscal year 1984:

[Dollar amounts in thousands]

	Budget estimate		House allowance		Committee recommendation		Change from budget	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Ammunition		$484,281		$427,386		$427,086		-$57,195
Weapons and combat vehicles		415,313		422,947		441,733		+26,420
Guided missiles		171,215		171,215		171,215		
Communications and electronics		346,779		277,781		291,566		-55,213
Support vehicles		279,688		269,188		279,688		
Engineering and other equipment		154,773		146,636		154,173		-600
Revised economic assumptions		-17,000		-17,000		-17,000		
General reduction, spares				-3,360				

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COMMITTEE RECOMMENDED ADJUSTMENTS

AMMUNITION

Small arms ammunition.—The Committee recommends the deletion of the $300,000 requested for 9mm handgun ammunition. The 1984 Marine Corp's procurement of 9mm handguns was not authorized.

Authorization reductions.—In agreement with congressional authorization action, the Committee deletes the $24,895,000 in production funding for the 155mm (Copperhead) terminally guided projectile. An additional $32,000,000 general reduction in ammunition procurement is also recommended.

WEAPONS AND COMBAT VEHICLES

Light armored vehicle (LAV).—The joint Army/Marine Corps LAV program procures eight-wheeled light armored vehicles, fully equipped with weapons, fire control systems, and support equipment. These vehicles will be used in rapidly deployable combat units.

As noted earlier, the Committee recommends funding Marine Corps procurement within the procurement, Marine Corps account. In agreement with the direction contained in the statement of the managers on the conference report to the 1984 DOD Authorization Act to buy out the requirement for the basic LAV-25 vehicle and the recovery vehicle, the Committee recommends $106,850,000 for the procurement of 59 LAV-25's, 33 recovery vehicles plus 80 logistics vehicles. This is $28,378,000 above the budget and also completes the buy of logistics vehicles. This level of 172 vehicles holds 1984 production to the 1983 level. Because it is not certain what levels of future production will be required to complete this program, any increases in the 1984 production rate are not justified.

WEAPONS

9mm handgun.—In agreement with the authorizing legislation, the Committee recommends deferral of the $1,958,000 requested to initiate procurement of the DOD standardized 9mm handgun.

COMMUNICATIONS AND ELECTRONICS

Manpack radios and equipment.—Within this consolidated budget line, $4,443,000 was requested for the AN/PRC-113 radio which the Committee recommends deferring. Because of schedule slippages, fiscal year 1983 funds will be available to initiate production if warranted in 1984.

Vehicle mounted radios and equipment.—Within this consolidated budget line, $21,961,000 was requested for initial procurement of the AN/TRC-170 radio. The Committee has confirmed that reliability, availability, and maintainability problems remain to be resolved. Since further development and testing is needed, the Committee recommends a deferral of the request.

Unit level circuit switch (ULCS).—The ULCS is the unit level message and circuit switch for the triservice tactical (TRI-TAC) communica-

tions program. Development and testing problems continue for this device and indicate that it still is not ready for production. Contract award has been shipped to late in the year. Consequently, the Committee recommends deferral of $16,530,000 of the request. The $12,000,000 recommended may be used to support low rate production once the Committees on Appropriations of the Senate and House have been provided evidence that all required testing has been successfully completed.

ULCS life cycle support.—The Committee recommends the total deferral of the $11,279,000 requested to initiate the life cycle support of the ULCS until it is ready for production.

Night vision goggles, AN/PVS-5.—The Committee recommends a reduction of $1,000,000 based on negotiated contract savings.

ENGINEERING AND OTHER EQUIPMENT

Position agimuth determination system.—The Committee recommends an adjustment of $600,000 based on contract savings.

AIRCRAFT PROCUREMENT, AIR FORCE

1983 appropriation	$17,658,500,000
1984 budget estimate	22,506,190,000
House allowance	21,040,610,000
Committee recommendation	21,100,400,000

The Committee recommends an appropriation of $21,100,400,000, a decrease of $1,405,790,000 below the President's budget, and $59,790,000 above the House allowance.

This appropriation finances the construction, procurement, modernization, and modification of aircraft and equipment, including armor and armament, specialized ground-handling equipment, and flight training simulators, spare parts, and accessories; specialized equipment; and expansion of public and private plants, Government-owned equipment, and installation.

PROGRAM RECOMMENDED

The following comparative table displays the Committee's recommendations by major activity with the budget estimate:

[Dollar amounts in thousands]

	Budget estimate		House recommendation		Committee recommendation		Change from budget	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
COMBAT AIRCRAFT								
Strategic aircraft:								
Long-range combat aircraft (B–1B) (MYP)	10	$3,761,800	10	$3,761,800	10	$3,761,800		
Advance procurement		1,865,000		1,865,000		1,865,000		
Tactical aircraft:								
F–15 (MYP)	48	1,528,900	36	1,281,500	36	1,281,500	–12	–$247,400
Advance procurement		431,500		133,200		133,200		–298,300
F–16 (MYP)	120	1,618,400	144	1,996,800	144	1,996,800	+24	+378,400
Advance procurement		344,500		371,400		371,400		+26,900
Tactical fighter derivative aircraft		21,400						–21,400
KC–10A (MYP)	8	334,000	8	311,000	8	334,000		
Advance procurement		425,000		425,000		425,000		
By prior-year transfer								
MC–130H	2	60,900	2	60,900	2	60,900		
Advance procurement		5,900		5,900		5,900		
E–3A								
Advance procurement		76,200		76,200		76,200		
Airlift:								
C–5B	4	1,076,300	4	1,076,300	4	1,076,300		
Advance procurement		240,300		240,300		240,300		
C–130H				173,000	10	163,000	+10	+163,000
Transfer				(8,000)		(8,000)		(+8,000)
European distribution aircraft	16	32,900		32,900	16	32,900		
Other aircraft:								
T–46A advance procurement		5,800		5,800		5,800		
H/HH–60D Advance procurement		25,900						–25,900
C–12A cargo airplane					6	11,800	+6	+11,800
TR–1A	5	202,800		130,100	5	162,000		–40,800
Advance procurement		12,000		12,000		12,000		
Modification of aircraft		3,208,800		2,627,800		2,617,500		–591,300

Modification of inservice aircraft:				
B-52	(607,000)	(460,000)	(460,500)	(-146,500)
A-7	(50,800)	(102,800)	(102,300)	(+51,500)
A-10	(179,100)	(129,100)	(125,200)	(-3,900)
F/RF-4	(225,300)	(241,300)	(247,000)	(+21,700)
F-5	(2,600)	(2,600)		(-2,600)
F-15	(63,400)	(63,400)	(51,400)	(-12,000)
F-111	(91,900)	(91,900)	(90,300)	(-1,600)
C-5	(259,300)	(259,300)	(251,800)	(-7,500)
C-141	(20,600)	(20,600)	(18,500)	(-2,100)
T-38	(2,200)	(2,200)	(900)	(-1,300)
C-130	(171,600)	(171,600)	(163,200)	(-8,400)
C-135	(741,200)	(635,800)	(660,400)	-80,800
Prior-year transfer		(61,700)		
C-135 (AP-CY)	(254,300)			(-254,300)
F-3	(167,600)	(167,600)	(166,700)	(-900)
E-4	(11,700)	(11,700)	(8,100)	(-3,600)
Other aircraft	(84,400)	(84,400)	(74,700)	(-9,700)
Classified projects	(121,100)	(118,100)	(118,100)	(-3,000)
Undistributed reduction		(-65,000)	(-65,000)	(-65,000)
Civil reserve airlift fleet (CRAF)	(144,300)	(70,000)	(83,000)	(-61,300)
Transfer			(12,900)	(+12,900)
Spares and repair parts	5,128,800	4,666,700	4,659,200	-469,600
Aircraft support equipment and facilities	2,300,090	2,266,310	2,297,100	-2,990
Transfer			(7,900)	(+7,900)
Undistributed reduction		-278,300	-288,200	-288,200
Prior year transfer		(278,300)	(288,200)	(288,200)
Revised economic assumptions	-201,000	-201,000	-201,000	

B–1B bomber.—In addition to $5,626,800,000, the Air Force is seeking authority to initiate multiyear procurement of the B–1B bomber. The Committee recommends approval of the full request and the inclusion of appropriate enabling multiyear contracting language in the bill. As negotiations progress on the multiyear contracts, the Committee expects to be kept informed of the results and, furthermore, expects that all savings will be retained to offset future program costs. These savings shall not be used to fund new and unbudgeted programmatic efforts. Accordingly, the Committee requests this program be designated as one of special interest.

F–16 A/B fighter aircraft (Falcon).—The F–16 aircraft is a single-seat high performance multipurpose aircraft powered by a single engine and designed for clear air, within visual range fighter missions and for the delivery of ordnance against surface targets. This aircraft is manufactured and deployed under a cooperative agreement between the United States and several NATO allies to insure interoperability and to reduce overall program costs.

In addition to the budget request, the Committee recommends $378,400,000 for procurement of an additional 24 aircraft under the existing multiyear contract, and an additional $26,900,000 to increase advance procurement to 144 aircraft in fiscal year 1985. These additional F–16's and associated support equipment are provided specifically for the Air National Guard.

Fighter engine competition.—In reviewing the Air Force fiscal year 1984 budget request, one of the issues receiving the most discussion was the alternate fighter engine program. After considering the many complex aspects of this program, the Committee believes the Air Force is pursuing the correct approach to introduce a durable, maintainable, supportable, and affordable fighter engine for its F–15 and F–16 aircraft. Although recognizing the requirement for minimum essential long-lead funds in advance of the actual source selection by the Air Force, the Committee directs that the Air Force may not make the actual selection contract award until the Secretary of the Air Force has advised the Appropriations Committee of both the House and Senate in writing of his decision. Bill language has been included to that effect. It is recognized that any additional procurement funds to implement possible competition outcomes must be included in the fiscal year 1985 budget request. The Air Force should be fully aware of the scrutiny its decision will receive by this Committee.

Tactical fighter derivative aircraft.—The purpose of this program is to develop a derivative to the F–15 or F–16 that will offer improvements in range payload and in night under-the-weather capability, while retaining air-to-air capabilities. An F–15 derivative (the F–15E) would provide a missionized rear cockpit retaining its air-to-air effectiveness and exploiting its inherent air-to-surface capability. An F–16 derivative (the F–16E) is a significantly enhanced aerodynamic configuration of the basic F–16, and employs a new cranked arrow wing in place of the current wing and horizontal tail. The Air Force proposes to select one aircraft during 1984.

The Committee recognizes that a validated requirement exists for improving the conventional deep interdiction capability in support of NATO operations in Europe. Extensive and costly development of both the F–15 and F–16 aircraft has been proposed as part of a competition to select a new derivative fighter aircraft. The Committee is not convinced that these development programs have been sufficiently defined in terms of performance advantages over current systems capable of fulfilling the deep interdiction mission, such as suitably equipped F–111 aircraft, to warrant expedited comparative evaluation and procurement of either the F–15E or F–16E. Further, the Committee feels that it is premature to start funding a program of this size without knowing precisely what is being bought and its total cost. The Committee knows neither. Accordingly, no procurement funds are provided in fiscal year 1984 and $21,400,000 is deleted.

C–130H.—The Committee recommends the appropriation of $163,000,000 in new money for the procurement of 10 C–130H aircraft. Eight of the aircraft are for the Air National Guard and two are for the Air Force Reserve. In addition to these funds, the Air Force is directed to apply prior year unobligated funds totaling at least $8,000,000 previously appropriated for the C–130H program. The combination of these funds is considered by the Committee to be sufficient for the procurement of the 10 aircraft. The Committee directs the Air Force to proceed with the procurement of the 10 aircraft and to promptly present Congress with any necessary reprograming requests required to fund the procurement of 10 aircraft.

C–12D cargo aircraft.—The C–12D is a commercial-type, low-wing, twin turbo-prop pressurized, passenger/cargo utility aircraft capable of operating under instrument flight conditions. The Committee recommends $11,800,000 above the budget for procurement of six C–12D's for the Air National Guard.

In recognition of the need to replace the C–131's in the aging Air National Guard fleet, the Committee directs the Department of Defense to develop a time phased master plan for upgrading the administrative and operational support aircraft fleet of the Army and Air National Guard. Phasing should be tied to projections of aircraft retirement. Furthermore, this replacement plan should take into consideration possible or planned utilization upon mobilization of these National Guard assets and identify potential reductions, if any, in current or planned procurements or leases of administrative and operational support aircraft. The Department should also comment on the possibility of utilizing these new replacement aircraft during peacetime to fulfill part of the CONUS operational support mission in the same manner that the Air Guard flies refueling missions for the Strategic Air Command while providing adequate support to the State Guard headquarters.

Modification of aircraft.—The Committee recommends a total of $2,617,500,000 for various improvements and modifications to Air Force aircraft. These modification programs are intended to extend the service life of aircraft in the force and also improve their capability to operate against a changing threat. Major changes include:

(A) Inservice aircraft.—A series of reductions totaling $58,000,000 within the aircraft modification program based on the absence of any justification for these amounts. The Committee expects that all requests be justified as to their intended use and to the total cost of the modification for the fleet, and this program is no exception. The following adjustments are recommended:

Aircraft:	*Committee recommendation*
B–52	–$1,500,000
A–7	–500,000
A–10	–3,900,000
F/RF–4	–1,800,000
F–5	–2,600,000
F–15	–12,400,000
F–111	–1,600,000
C–5	–2,100,000
C–141	–2,100,000
T–38	–1,300,000
C–130	–8,400,000
C–135	–5,600,000
E–3	–900,000
E–4	–3,600,000
Other	–9,700,000
Total	–58,000,000

(B) B–52 rotary launcher.—Deferral of the entire $145,000,000 requested for the production and installation of the common strategic rotary launcher in the B–52 in accordance with the authorization reductions and program schedule revision.

(C) F/FR–4 upgrades—

1. An additional $16,000,000 authorized for the procurement of ARN–101 inertial navigation systems for Air National Guard RF–4C's of the Rapid Deployment Joint Task Force. The Committee directs the Air Force to conduct a formal competition using life costs as a major criterion, to select a replacement.

2. An additional $5,000,000 for the installation of smoke suppression kits on two National Guard F–4D squadrons. Further, the Committee requests a full review of similar modification requirements for both the Active Reserve and National Guard F/RF–4 units that considers the wartime mission demands of these aircraft and their useful remaining life. This program is considered too important to be left to occasional budget add-ons.

3. An increase of $2,500,000 for the conversion of all Air National Guard and Reserve F–4's to carry the AIM–9L/M air-to-air missile. This low cost, easily installed modification expands the combat capability of these fighters, and the Air Force is encouraged to propose a reprograming to finance this conversion for all other operational F–4's.

(D) C–5 modifications.—In addition to the $2,100,000 previously identified, the Committee recommends a reduction of $5,400,000 to reflect pricing reductions due to lower price escalation for wing modification contracts.

(E) C-135 modifications.—In addition to the $5,600,000 previously identified, the Committee recommends a reduction of $136,100,000 for the KC-135 CFM-56 reengining program. This still allows $485,400,000 for the procurement of at least 24 CFM-56 engine kits. Additionally, $62,400,000 is provided over the request for at least 31 Air National Guard JT-3D modifications. (An allowance of $63,100,000 for refurbishment and installation is in the Air National Guard operating account.) The Committee expects that with this funding most Air Guard KC-135's, to include those at Pease Air Force Base, N.H., will be reengined. Finally, the Committee recommends a reduction of $1,500,000 due to projected savings for wing reskinning and repricing the KC-135/CFM-56 program.

Civil Reserve Airlift Fleet (CRAF).—The Committee has been advised that the Air Force has finally signed its first contract for this program. Only $95,900,000 is needed in 1984, of which $12,900,000 in prior-year (1982) CRAF funds are available for transfer and use. Accordingly, the Committee recommends $83,000,000 in new budget authority and a reduciton of $61,300,000.

Aircraft spares and repair parts.—The Committee recommends $4,659,200,000 for procurement of spares and repair parts. These funds provide for centrally managed high dollar value, depot repairable assemblies, components, and repair parts such as engines, transmissions, and gear boxes in support of the Air Force. This is a reduction of $7,500,000 below the authorization level based on the forthcoming phaseout of the CT-39's from the inventory.

Aircraft support equipment and facilities.—The Committee recommends $2,284,700,000 for ground support equipment including air traffic control equipment, avionics, communications equipment and avionics maintenance shelters, tool sets, shop sets, ground handling and servicing equipment, special test and diagnostic equipment; component improvement; industrial facilities; war consumables; and other production charges.

The Committee recommends a reduction of $2,990,000 in other production charges. This is achieved through a combination of an authorization reduction of $14,500,000 to classified programs; a $15,500,000 reduction in the 30mm gun pod programs based on contract savings to be partially offset by a transfer of $7,900,000 in 1983 savings; and an authorization increase of $27,010,000 for ECM pods.

Other authorized adjustments.—The Committee recommends a number of additional adjustments based on the authorizing legislation. With respect to transfer of prior-year funds, the Air Force has advised that only $288,200,000 of the $328,300,000 in 1983 A-10 funds are available for transfer. This level of transfer and corresponding general reduction are less than authorized. The Committee recommends that expenditure of the remaining A-10 funds be for the procurement of spare parts and other logistic support, such as modifications and support equipment, for the existing inventory of A-10 aircraft as approved by the Secretary of the Air Force. The Committee recommendations are:

[Dollar amounts in thousands]

	Amount recommended		Adjustment	
	Quantity	Amount	Quantity	Amount
F-15A/B/C/D		$1,281,500		- $247,400
F-15A/B/C/D (AP-CY)		133,200		- 298,300
H/HH-60D (AP-CY)				- 25,900
TR-1/U-2		162,000		- 40,800
A-7 modifications		102,800		+ 52,000
F/RF-4 modifcation		241,300		+ 16,000
C-135 modifications (AP-CY)				- 254,300
Classified projects		118,100		- 3,000
Undistributed reduction, modifications		- 65,000		- 65,000
General reduction, APAF		- 288,200		- 288,200
Prior year transfer (From A-10)		(288,200)		(288,200)

ITEMS OF SPECIAL INTEREST

C-140A/T-39 replacement aircraft.—The Air Force operates four C-140A and two T-39A flight inspection aircraft. These aircraft are responsible for worldwide flight inspection and calibration of military air traffic control and landing systems. The C-140 and T-39 type aircraft are over 20 years old. When and if the Air Force determines that replacement is economically justified and necessary, the Committee expects the service to develop a competitive acquisition strategy carried out under the provisions of the Buy America Act for a mission capable aircraft that can deploy worldwide and that has the lowest life cycle cost.

This effort is independent of the current replacement programs for C-140B and CT-39 aircraft and should have no impact on current contracts for such lease or purchase.

Missile Procurement, Air Force

1983 appropriation	$4,941,100,000
1984 budget estimate	8,059,130,000
House allowance	7,787,112,000
Committee recommendation	7,553,417,000

The Committee recommends an appropriation of $7,553,417,000. This is $505,713,000 below the President's budget request, and $233,695,000 below the House allowance.

This appropriation finances the construction, procurement, and modification of missiles, spacecraft, rockets, and related equipment, including spare parts and accessories, ground-handling equipment, and training devices; and expansion of public and private plants, Government-owned equipment, and installation.

PROGRAM RECOMMENDED

Recommended allowances are tabulated by major activity and compared to the budget estimate in the following table:

[Dollar amounts in thousands]

	Budget estimate		House recommendation		Committee recommendation		Change from budget	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Ballistic missiles:								
Peacekeeper (MX)	27	$2,438,029	21	$2,102,200	21	$2,102,200	-6	-$335,829
ICBM C3 Integration		30,888		30,888		30,888		
Other missiles:								
Air-launched cruise missile	240	422,176	240	422,176	240	392,000		-30,176
Transfer						(15,000)		(+15,000)
Advance procurement	120	581,542	120	563,842	120	563,842		-17,700
Ground launch cruise missile		23,100		23,100		23,100		
Advance procurement	1,005	183,692	1,005	183,692	1,005	183,692		
NATO air and airbase defense	1,700	104,877	1,700	104,877	1,700	104,877		
AIM-7 F/M Sparrow	2,600	346,665	1,300	277,665	1,382	300,000	-918	-46,665
AIM-9 L/M Sidewinder	285	177,964	285	177,964	285	137,964		-40,000
AGM-65D Maverick						(40,000)		(+40,000)
AGM-88A HARM		62,900		62,900		62,900		
Transfer		28,839		28,839		28,839		
Rapier		33,800		33,800		29,800		-4,000
AMRAAM	108	4,901	108	4,901			-108	-4,901
Advance procurement		29,977		29,977		29,977		
Stinger	400	48,797		48,797		48,797		
Target drones								
Tactical drones		84,404		84,404		84,404		
Modifications:		23,385		23,385		23,385		
Class IV		5,842		5,842				-5,842
Minuteman II/III		2,501		2,501		2,501		
Air-launch cruise		19,518		19,518		19,518		
AIM-7 F/M Sparrow		366,009		336,009		346,009		-20,000
Ground-launch cruise								
Spares and repair parts								

[Dollar amounts in thousands]

	Budget estimate		House recommendation		Committee recommendation		Change from budget	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Other support:								
Spaceborne equipment (COMSEC)		$23,672		$23,672		$23,672		
NAVSTAR GPS (MYP)		29,521		29,521		29,521		
Advance procurement		209,100		209,100		209,100		
Space launch support		97,690		97,690		97,690		
Advance procurement		42,500		42,500		42,500		
Satellite data system		25,223		25,223		25,223		
Def meteorological program (MYD)		33,908		33,908		33,908		
Defense support program		356,930		356,930		356,930		
Defense satellite communication system		35,404		35,404		35,404		
Advance procurement		81,600		81,600		81,600		
AF satellite communication system		30,693		30,693		30,693		
Space defense ops		19,409				19,409		
Space Shuttle		195,291		195,291		195,291		
Industrial facilities (includes MM&T)		33,495		26,015		33,495		
Special programs:								
Other		46,634		46,634		46,634		
Forest Green		2,540		2,540		2,540		
IONDS (MYP)		36,176		36,176		36,176		
Special programs		1,179,531		1,178,931		1,178,931		-$600
Special update programs		596,976		596,976		596,976		
Special support programs		362,031		362,031		362,031		
Revised economic assumptions		-77,000		-77,000		-77,000		
General reduction		-322,000		-322,000		-322,000		

Air launch cruise missile.—The current air launched cruise missile is the first generation of production cruise missiles and is in the process of being phased out of production. Funds for 240 additional missiles were requested by a late budget amendment. No follow-on advance procurement funds were requested and the Committee recommends that none be provided.

Based on recent savings on the 1983 missile airframe contract, the Committee recommends a reduction of $30,176,000 to be offset in part by a transfer forward of $15,000,000 available from the 1983 program.

AGM–65D IR missile (Maverick).—The AGM–65D is a rocket-propelled, air-to-surface precision (IR) guided tactical missile with a stand-off launch and leave capability. The missile is guided by tracking signals from naturally occurring thermal energy of the target.

The Committee recommends $300,000,000 to fund the third missile production buy in accordance with the current program directives from the Secretary of Defense. In part, this guidance says that production is limited to 1,380 missiles (115 missiles per month) pending completion of an additional review of outstanding issues regarding the operational utility of the I²R Maverick. The guidance allows for "procurement of long-lead requirements for * * * 2,600 missiles." However, the Committee feels that an increased production rate from the 1983 program of 90 per month to about 270 per month (a 200-percent increase) is ill-advised. The Committee recommendation should allow for long-lead materials for about 600 missiles and a production rate increase of over 100 percent.

AGM–88A (HARM).—The HARM missile is an air-to-surface antiradiation missile designed to destory or suppress enemy radars used primarily with surface-to-air missiles (SAM) sites. The HARM missile is compatible with various Navy and Air Force tactical aircraft.

The Committee recommends $137,964,000 to continue procurement of 285 HARM missiles, a reduction of $40,000,000. As discussed in the Navy weapons procurement section, the Committee now recommends the continued sole source procurement of this missile. Accordingly, the $40,000,000 provided last year for the establishment of a second source of production is recommended for application to the 1984 program.

Advanced medium range air-to-air missile (AMRAAM).—The AMRAAM is a joint USAF/USN program replacement for the Sparrow missile with the Air Force as executive service.

The Committee recommends $28,839,000, the budgeted amount, to fund tooling and test equipment. A $4,000,000 reduction in advance procurement to support initial production in fiscal year 1985 is recommended. The $29,800,000 provided for advance procurement supports the minimum quantity of 174 missiles for the lot I buy, which is a pre-negotiated fixed-price incentive option to current development contract and provides 40 missiles for coassembly by the second producer. The Committee notes that the development schedule is very concurrent with only one-third of the test flights completed before a production decision is made, and agrees with the spirit of the Department's direction to in-

crease production rates only after testing indicates that no significant design changes are necessary.

Stinger.—The Stinger is a portable, shoulder fired, antiaircraft missile system for low-altitude, short-range air defense used by the Army and the Marine Corps.

Since the Stinger program is transitioning to production of an improved version of the Stinger-POST and the Air Force has been temporarily able to borrow missiles from the Army, the Committee recommends a deferral of this year's request of $4,901,000. This will permit the Air Force to acquire the most capable Stinger, which will be able to adapt to changes in the threat.

Air launch cruise missile modifications.—The budget requested modification kits to make ALCM unique support equipment and test sets compatible with the new B–52H common strategic rotary launcher (CSRL). Due to schedule slippages in the CSRL program these modifications can be delayed and the Committee recommends a deferral of the $5,842,000 requested.

Spares and repair parts.—This activity provides for procurement of initial and replenishment spares and repair parts for ballistic missiles, other missiles, target drones, peculiar support equipment, training equipment, replacement equipment, provisioning documentation, and spares for modification programs.

The Committee recommends a reduction of $20,000,000 for spares and repair parts as a result of the reduced 1984 MX missile procurement.

OTHER SUPPORT

Other authorized changes.—The following is a list of the Committee recommended reductions in agreement with the authorizing legislation:

[Dollar amounts in thousands]

	Amount recommended		Adjustment	
	Quantity	Amount	Quantity	Amount
Peacekeeper (MX)	21	$2,102,200	-6	-$335,829
Ground launch cruise missile		563,842		-17,700
Special programs		1,178,931		-600

ITEMS OF SPECIAL INTEREST

NATO air defense.—The fiscal year 1984 Defense authorization bill provides $200,000,000 for NATO air and airbase defense program. the Committee strongly endorses the concept of a NATO agreement on integrated air defense. In fiscal year 1983, $50,000,000 was appropriated to support such a plan. The Committee has been informed that the cooperative airbase defense initiative is supported at the highest levels of DOD and the West German MOD, and that agreement in principle was signed which called for negotiations to conclude a final agreement by September 30, 1983. Despite this commitment, no agreement has been reached. Although recent information indicates there may be a basis for an agreement between the United States and the Federal Re-

public of Germany covering acquisition and operation of air base air defense systems, there is no budget request for this program and the Committee has nothing on which to base a funding recommendation. Further, it would appear that any appropriation in support of this program should be to the Army, not the Air Force.

The Committee agrees to defer the $200,000,000 authorized for this program, but expects to consider the plan as part of the fiscal year 1985 budget deliberations. If, however, an agreement is concluded and fiscal year 1984 funding is required to implement the plan, the Committee is prepared to consider a supplemental budget request. Approval of any supplemental request would be made contingent upon receipt and review of the details of any NATO air defense agreement, including cost, schedule, burden sharing, and all relevant U.S. obligations.

Defense satellite communications system.—The Committee understands the Air Force has negotiated an advance procurement contract for the remaining quantity of the largest generation of the defense satellite communications system (DSCS III). As a result of these negotiations the 1984 request for $81,600,000 for advance procurement of four satellites is not sufficient for all the remaining satellites. The Committee has funded this request. To take full advantage of these savings it is necessary for the Air Force to initiate a multiyear contract for these satellites. This 1985 multiyear program has been proposed for the budget.

To preserve this option, bill language has been added which permits the Secretary of the Air Force to submit the DSCS III multiyear proposal for approval as a 1984 start, enabling the service to take advantage of these savings. The multiyear justification package would go to all four committees for their review, and no additional funds will be provided to start the contract in 1984.

Other Procurement, Air Force

1983 appropriation	$5,566,987,000
1984 budget estimate	7,465,212,000
House allowance	6,793,265,000
Committee recommendation	6,982,231,000

The Committee recommends an appropriation of $6,982,231,000 for "Other procurement, Air Force." The recommendation is a decrease of $482,981,000 below the budget, and is $188,966,000 above the House allowance.

This appropriation provides for the procurement of weapons systems and equipment other than aircraft and missiles. Included are munitions, other weapons, vehicles, electronic and telecommunications systems for command and control of operational forces, and ground support equipment for weapons systems and supporting structure.

PROGRAM RECOMMENDED

The Committee recommendation will provide funding for the following program for fiscal year 1984:

[Dollar amounts in thousands]

	Budget estimate		House recommendation		Committee recommendation		Change from budget	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Munitions and associated equipment		$1,170,218		$891,463		$903,789		-$266,429
Vehicular equipment		333,610		323,610		333,610		
Electronics and telecommunications equipment		1,892,144		1,648,556		1,738,123		-154,021
Other base maintenance and support equipment		4,216,240		4,084,843		4,153,709		-62,531
Revised economic assumptions		-147,000		-147,000		-147,000		
General reduction, spares				-8,207				

COMMITTEE RECOMMENDED ADJUSTMENTS

MUNITIONS AND ASSOCIATED EQUIPMENT

30mm training ammunition.—The Committee recommends a reduction of $4,243,000 because the Air Force now plans to repair used 30mm containers rather than procure new containers at a savings of $3,200,000. The balance of the reduction results from favorable multiyear contract negotiations.

30mm API ammunition.—A $12,992,000 reduction is recommended based on recent favorable price reductions in the multiyear contract.

MK-82 bomb empty.—The Air Force has determined it will procure a lower cost configuration of this bomb than budgeted. Heat-treated bombs will not be required for training purposes. Accordingly, a $1,000,000 reduction is recommended.

BSU-50 air-inflatable retarders.—Based on the GAO's review of the 1984 ammunition program, the Committee recommends a reduction of $4,100,000 to aline the funded program with the funded delivery period.

MJU-7B IR flare.—The GAO has reported that the budget price was overstated. The Committee recommends a reduction of $7,900,000 which will allow full funding of the requested program.

Fuzes.—The Committee recommends $27,910,000 for procurement of 25,000 FMU-112 or FMU-139 fuzes for use on general purpose bombs with laser guidance kits or retarding devices. The recommendation concurs with the budget estimate and the House allowance.

The Air Force has a critical shortfall in its inventory of modern reliable fuzes for high drag bombs. While the Committee is fully cognizant of the economics and advantages of the FMU-139 common fuze, it must note that delays continue in this development. The Navy contract for low-rate initial production has been delayed until November 1983. Therefore, delivery of fuzes for the Air Force IOT&E will not be available until August 1984 with a production decision to be made subsequent to the completion of this testing. On this basis, the funds provided are available for procurement of either the FMU-112 or FMU-139 fuze with the understanding that production of the FMU-112 will cease when the FMU-139 enters full-rate production.

9mm handgun.—As discussed earlier in the report, the Committee recommends the denial of all 1984 procurement funds, to include the $994,000 for the Air Force.

ELECTRONICS AND TELECOMMUNICATIONS EQUIPMENT

Joint tactical communications program.—This consolidated budget line contains funds for all of the Air Force's procurement of the TRI-TAC radios, to include the AN/TSQ-111 Communications Nodal Control Element (CNCE). As noted earlier, the CNCE program is being restructured. The Air Force now plans a combined 1983-84 program to establish a production line and procure two Air Force and eight Army systems. Last year, all of the nonrecurring costs (about $20,000,000) and 3 systems were funded. This year, the Committee recommends providing

an additional $16,900,000 for 3 additional systems—a reduction of $11,400,000. This amount is considered more than sufficient, given the yet to be finalized design of the production AN/TSQ-111 and the 1983 funding available from the Army. Since the proposed multiyear procurement for this program was not authorized, the Committee denies all of the $30,127,000 advance procurement requested.

GENERAL

Classified programs.—The Committee recommends a reduction of $1,900,000 to the intelligence data handling program and a $50,533,000 reduction to selected activities, both classified programs. Details are provided in the classified annex.

Other authorized adjustments.—The following is a list of Committee recommended adjustments in agreement with the authorizing legislation.

[Dollar amounts in thousands]

	Amount recommended		Adjustment	
	Quantity	Amount	Quantity	Amount
Laser bomb guidance kit	10,000	$99,996		-$167,800
GBU-15	320	60,216		+10,000
CBU-89 (TMD/GATOR)	3,000	77,400		-77,400
OTH-B radar	1	96,000	-1	-80,039
TEREC ground processor			-30	-10,955
Auto data processing equipment		70,963		-10,300
Repair parts, base equipment		215,181		-9,300
Mobility equipment		83,800		-11,998

National Guard and Reserve Component Equipment

1983 appropriation	$125,000,000
1984 budget estimate	
House allowance	125,000,000
Committee recommendation	176,000,000

The Committee recommends an appropriation of $176,000,000 in a separate account to provide military equipment to the National Guard and Reserve components of the services. There was no specific budget estimate for this activity.

PROGRAM RECOMMENDED

The Committee's recommended allocations for the Army National Guard and the Air National Guard under this new account are in agreement with the authorizing legislation. There is no budget request for this separate account. In addition, the Committee recommends appropriation of $51,000,000 for the purchase of at least eight C-9 aircraft as replacements for the Naval Reserve C-118 fleet. Funds to lease these aircraft were authorized, but, as discussed elsewhere, procurement is recommended as the preferred method of acquisition. The Committee expects the Navy to reprogram whatever additional funds are necessary to complete this program. Further, the aircraft must be purchased from domestic carriers, and must have been owned by U.S. carriers prior to October 4, 1983. The details are displayed in the following table:

[Dollar amounts in thousands]

	House recommendation amount	Committee recommendation		Change from budget	
		Quantity	Amount	Quantity	Amount
Army National Guard	$100,000		$100,000		+$100,000
Army Reserve					
Naval Reserve			51,000		+51,000
Marine Corps Reserve					
Air National Guard	25,000		25,000		+25,000
Air Force Reserve					

In recommending this dedicated funding for the National Guard and Reserve components, the Committee again notes its strong and continuing interest in supporting the total military. Further, the Committee's allocations reflect the relative needs of the components to provide equipment that would not otherwise be available in the immediate future. The Committee requests that a specific list of the equipment, quantities, and costs thereof, to be procured, be provided within 120 days of enactment of this bill to the Committee on Appropriations.

The Committee finds it cannot agree with the specifics of the House Appropriations Committee direction concerning the creation of separate appropriations for future Reserve component equipment procurement. There is concern that separate appropriations will foster additional management activities at a time when Congress is directing headquarters reductions. It is also possible that such an initiative will decrease the commonalilty of equipment between the Active and Reserve components, and compound logistics support problems.

Accordingly, the Committee directs the Department to identify, by memorandum entry on each appropriate P–1 display budget line the amount of the requested funds for the Reserve and Guard. Then on a separate budget exhibit, the total procurement funding proposed for each Reserve component in budget line detail should also be displayed. This latter display would also be produced in support of the House proposal.

Procurement, Defense Agencies

1983 appropriation	$828,145,000
1984 budget estimate	1,063,791,000
House allowance	942,657,000
Committee recommendation	957,646,000

The Committee recommends an appropriation of $957,646,000, a decrease of $106,145,000 below the budget estimate, and $14,989,000 above the House allowance.

This appropriation provides for procurement of capital equipment for the Defense Communications Agency, the Defense Investigative Service, the Defense Mapping Agency, the Defense Logistics Agency, and other agencies of the Department of Defense. The fiscal year 1984 program includes procurement of automatic data processing equipment, mechanical materials handling systems, general and special-purpose vehicular equipment, communications equipment, and mapping, charting, and geodetic equipment.

Programs and Activities

Classified programs.—A reduction of $51,145,000 is recommended for classified programs of the Defense Intelligence Agency, National Security Agency, and the Defense reconnaissance support program. Details are contained in the classified annex to this report.

Authorized changes.—The following changes are recommended in consonance with the authorizing legislation:

[Dollar amounts in thousands]

	Amount recommended		Adjustment	
	Quantity	Amount	Quantity	Amount
Major equipment items under $900,000		$35,314		-$5,000
Mechanized materials handling system		5,449		-38,000
ADP equipment		7,547		-4,000
Other capital equipment		30,374		-8,000

Defense Production Act Purchases

1983 appropriation	
1984 budget estimate	$200,000,000
House allowance	50,000,000
Committee recommendation	

No appropriation has been authorized for Defense Production Act purchases in fiscal year 1984 and none is recommended.

Acquisition, Construction, and Improvement, Coast Guard

1983 appropriation	
1984 budget estimate	
House allowance	
Committee recommendation	$300,000,000

The Committee recommends an appropriation of $300,000,000 in a separate account for subsequent transfer to the Coast Guard for the acquisition, construction, and improvement of Coast Guard equipment and facilities, not otherwise provided for. There was no specific budget estimate for this activity.

As it did in the fiscal year 1982 bill, the Committee recommends this supplemental funding to address critical shortfalls in Coast Guard vessel, aircraft, and equipment requirements. Together with other recommendations contained in the bill, this initiative will also help address mounting requirements associated with drug interdiction efforts.

The Committee believes this action to be consistent with the President's objectives for a strong national defense. It is also consistent with a national concern to insure the protection of our natural resources, the protection of our borders against illegal contraband, and enforcement of our immigration laws. The Coast Guard is often the only naval presence in the U.S. littoral sea. It is the only armed force specifically charged with the security of this Nation's ports.

In providing these funds, the Committee intends that the Coast Guard shall have the discretion to determine the proper mix of capital assets—vessels, aircraft, sensors and shore facilities and their support—

which best meet both its national security and peacetime missions. The Commandant shall report to the Committee on the planned procurements resulting from this appropriation within 60 days after this bill is signed into law.

TITLE V

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

The fiscal year 1984 Department of Defense budget for research, development, test, and evaluation totaled $28,498,840,000. The accompanying Senate bill contains $26,766,247,000. This is a reduction of $1,732,593,000 from the revised fiscal year 1984 budget, and it is $300,532,000 above the House allowance. The following table summarizes the budget estimates and Committee recommendations:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Change from budget
Research, development, test, and evaluation:				
Army	4,711,200	4,141,624	4,169,939	-541,261
Navy	8,059,743	7,473,937	7,487,554	-572,189
Air Force	12,781,197	12,121,001	12,323,026	-458,171
Defense Agencies	2,890,900	2,680,153	2,736,728	-154,172
Director, test and evaluation, Defense	55,800	49,000	49,000	-6,800
Total, RDT&E	28,498,840	26,465,715	26,766,247	-1,732,593

COMMITTEE OVERVIEW

The fiscal year 1984 budget request for defensewide research, development, test and evaluation is approximately 10.6 percent of the entire budget of the Department of Defense. Real growth in R&D budget authority totaled 20 percent in fiscal year 1984. As the following chart supplied by the Department at the Committee's request indicates, the vast majority of this real growth is occurring in programs of the Air Force, Navy, and Defense Agencies, and to a lesser extent, the Army.

RDT&E PROGRAM COMPARISON

BUDGET AUTHORITY

[Dollar amounts in millions]

	Fiscal year 1983 enacted	Fiscal year 1984 budget	Dollar increase	Percent real growth
Army	$3,885	$4,711	+$826	+16
Navy	6,087	8,060	+1,973	+28
Air Force	10,626	12,781	+2,155	+20
Defense Agencies/DT&E	2,208	2,947	+739	+33
Total	22,806	28,499	+5,693	+20

Growth issues.—The real growth in the research and development budget request is primarily directed at improvements for U.S. strategic nuclear forces, intelligence and communications programs, space activities, and new program starts. Much of this real growth is required to correct near-term deficiencies in our defense posture, provide for adequate force modernization and establish a stable base from which to make long-range planning in the acquisition area. As such, the Committee is supportive of increased investment in defensewide research and development.

However, as the Committee has noted elsewhere in this report, the ceilings imposed upon defense spending through the congressional budget process have necessitated that reductions be made beyond those of the authorization bill to all defense activities, including research and development. The Committee has carefully reviewed new program starts this year and concluded that many with potential but lacking firm cost or schedule planning will have to be deferred. The Committee has also chosen to decrease funding for programs having marginal military utility or which have the net effect of constraining budgetary support for other essential defense research and development efforts. In making its reduction, the Committee has sought to provide full support for all important, ongoing R&D programs that meet essential near-term U.S. military requirements that cannot afford to be deferred. Where cuts have been made, they have been concentrated on new starts, program accelerations, marginal initiatives, and programs lacking firm cost-effectiveness criteria.

The recommended research and development program represents an increase of more than $4,000,000,000 over the fiscal year 1983 appropriation, for a real growth of approximately 13 percent. This is maximum real growth under the ceilings imposed by the fiscal year 1984 budget process, and higher than the 9 percent real growth recommendation made by the Committee last year.

The Committee's action this year approving another increase in real growth in defense RDT&E spending should not be construed as implying that it will continue to support this increasing level of effort in future years. The Committee forewarns the Department of Defense, and in particular, the Under Secretary of Defense for Research and Engineering, that is very unlikely that the Committee will continue to approve real growth in RDT&E on the order of 13 percent in coming years. The Department should plan to descope its RDT&E program so that it more properly fits into fiscal constraints likely to be imposed by the congressional budget process.

Authoritative analyses indicate Soviet investment in defense research and development activities exceeded that of the United States by nearly $120,000,000,000 between 1971 and 1981. The estimated dollar costs of the Soviet RDT&E program during this period surpassed those of the United States by more than 50 percent on an annual basis. The Committee understands that the United States cannot expect to outspend the Soviets in defense research and development, but it does support the effort inaugurated by the administration to close this gap, modernize

U.S. strategic and tactical forces and protect the U.S. leadtime advantage in military critical technologies by developing a more restrictive policy toward the export of high technology to the Soviet Union.

The Committee believes that its actions demonstrate that certain carefully targeted reductions to the research and development budget request can be made without impairing the general thrust of the administration's defense research and development program. Its actions have shown that RDT&E resources can be directed under a substantially reduced budget ceiling to those areas having the greatest potential for high military payoff. In achieving these budget reductions, the Committee believes that it has acted responsibly, and that it has shown a continuing support for the overall research and development program.

Research, Development, Test, and Evaluation, Army

1983 appropriation	$3,879,683,000
1984 budget estimate	4,711,200,000
House allowance	4,141,624,000
Committee recommendation	4,169,939,000

The Committee recommends an appropriation of $4,169,939,000, a reduction of $541,261,000 to the budget request.

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Change from budget
Technology base	735,554	660,913	683,521	-52,033
Advanced technology development	419,496	321,358	364,089	-55,407
Strategic programs	763,062	547,082	547,082	-215,980
Tactical programs	1,937,170	1,736,889	1,762,069	-175,101
Intelligence and communications	88,659	86,909	88,659	
Defensewide mission support	848,259	872,019	797,019	-51,240
Revised economic assumptions	-81,000	-81,000	-81,000	
Civilian pay raise			12,100	+12,100
Consultants		-2,546	-3,600	-3,600

Programs and Activities

The budget activities and programs funded under this appropriation are discussed below. These activities and programs require annual authorization prior to appropriations pursuant to the provisions of section 412(b) of Public Law 86-149, as amended.

TECHNOLOGY BASE

The recommended program includes $683,521,000 for technology base. This activity finances basic research and exploratory development with the primary objective of increasing the store of fundamental scientific knowledge adaptable to the solution of widely varying future Army requirements. A strong technology base is needed in order to (1) maintain technological superiority in military weapons, thus offsetting adversary numerical advantages, (2) avoid technological surprise that could cause premature obsolescence of major weapons systems, and (3) lead

to acquisition of effective but less costly capabilities by using innovative products built on new technology.

The Committee recommends the following changes to the budget estimate in Army technology base programs:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation
Defense research sciences	199,158	199,158	194,158
Materials	12,298	11,000	11,551
Communications technology	16,339	16,339	12,639
Manpower/personnel/training	7,923	6,923	7,000
Cold regions engineering technology	7,058	7,058	6,600
Tactical ADP technology	7,508	7,508	6,003
General reduction, technology base		-31,000	-20,000

General reduction.—The Committee recommends a $20,000,000 general reduction to Army technology base programs. The authorization had proposed a $31,000,000 general reduction.

The Committee has recommended over $12,000,000 in specific program reductions to the Army technology base budget activity, preferring to distribute part of the authorized general reduction.

Defense research sciences.—The Committee recommends a general reduction of $5,000,000 to the Army's basic research program to hold real growth in this program closer to 3 percent. The reduction should be applied against new starts rather than ongoing basic research or the university research instrumentation project.

Materials.—The reduction of $747,000 defers an Army new start to develop improved elastomer tank track pads. Should new work in this area be required, the Committee would expect it to be requested in a reprograming or subsequent budget request.

Communications technology.—The Army's communications technology program was nearly doubled over last year to support a major new thrust toward distributed C^3I. New work is to be conducted in the areas of VHSIC technology exploitation, electromagnetic compatibility, and wideband propagation measurement.

The Committee supports expanded work in these areas but would prefer a lower level of effort for fiscal year 1984, recommending a reduction of $3,700,000 to the program. The Army failed to justify how exploratory development work will contribute to improved battlefield communications.

Manpower/personnel/training.—The reduction of $923,000 is recommended to defer new Army efforts in second-generation cognitive learning strategies, development of an organizational management system prototype program, and decisionmaking modeling techniques at the unit level.

Cold regions engineering technology.—The Committee has denied $458,000 for the design, construction, and operations of technology for cold regions. The Committee recommends a general reduction because of the 16-percent growth in the program over last year.

Tactical ADP technology.—The Committee recommends a reduction of $1,505,000 to deny an acceleration of the Army's computer security

and artificial intelligence effort. This increase was not projected last year and the Army may submit a prior approval reprograming if it is essential to conduct this work in fiscal year 1984.

Authorization reductions.—The Committee has also recommended the following reductions in Army technology base programs in conformance with the authorization act:

AUTHORIZATION REDUCTIONS

[In thousands of dollars]

	Budget estimate	Committee recommendation
Aeronautical technology	25,612	22,612
Laser weapons technology	32,839	20,000
Exploratory applications of high technology	3,861	

ADVANCED TECHNOLOGY DEVELOPMENT

The recommended program includes $364,089,000 for advanced technology development. This activity provides for exploration of alternatives and concepts prior to development of specific weapons systems. New technological developments are pursued which are not formally identified to specific operational requirements. This effort includes feasibility demonstrations of innovative new concepts and emphasizes hardware competition and pursuit of alternate solutions to potential military problems. Particular emphasis is placed on demonstrating new concepts to provide improved land warfare capabilities in the 1980's and 1990's, including land and helicopter vehicles and related propulsion and electronics technology, land warfare target detection, acquisition and weapon technology, chemical/biological defense, training and personnel technology, and medical developments related to combat personnel.

The Committee recommends the following changes in the budget request for advanced technology development:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation
Advanced software development	19,293		5,000
Industrial base biowarfare vaccines/drugs	9,589	5,157	5,157
Tactical embedded computers		20,500	20,500
General reduction		-20,500	

Advanced software technology.—The Committee recommends $5,000,000 for a new start, advanced software technology. This program would initiate development of advanced computer software practices and technologies, building on existing and currently planned efforts in Ada program support environment tools. The program should be reduced until the Department of Defense reports back to the Committee on the deficiencies of current software and the scope and projected annual costs of this new effort, as well as tri-service participation. The Committee would consider a reprograming proposal if appropriate after submission of the report.

Industrial base biological warfare vaccines/drugs.—The reduction of $4,432,000 is applied against a new project not related to the biological warfare vaccine and drug program—project D810—which would establish an industrial base to produce large lots of pharmaceutical drugs and vaccines to combat gonorrhea, hepatitis, and other infectious diseases.

The Army has produced no convincing evidence as to why it should proceed from its current test program for these vaccines into an industrial base program. The Committee directs that the Army not request any further funding until submission of a report by May 1, 1984, on the requirement for establishing an industrial base of this kind.

Tactical embedded computers/general reduction.—The Committee recommends an appropriation of $20,500,000 for the tactical embedded computer program. This effort was part of the command and control program until transferred by the authorization to a separate line. It recommends not taking the authorization general reduction applied as an offset for this add-on.

Authorization reductions.—The Committee has also recommended the following reductions in Army advanced technology development programs in conformance with the authorization act:

[In thousands of dollars]

	Budget estimate	Committee recommendation
Materials and structures adv	12,341	5,792
A/C pwr plants and propulsion	22,725	14,725
A/C weapons	6,894	5,894
Rotary wing controls/rotors	34,649	30,649
Adv rotorcraft tech integ	2,027	1,027
Terminally guided projectile	18,849	9,000
Missile/rocket components	20,568	14,264
Manpower and personnel	12,021	10,000
Human factors	8,277	4,277
Education and training	11,710	7,710
Landmine warfare/barrier dev	14,218	12,218
Remotely piloted vehicles	6,359	5,859
AI/robotics	7,959	

STRATEGIC PROGRAMS

The recommended program includes $547,082,000 for strategic programs. This activity provides for all research and development efforts on strategic offensive, defensive, and control systems. Primary emphasis is on ballistic missile defense.

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation
WIS modernization	9,454	9,454	9,454
BMD advanced technology	170,875	170,875	170,875
BMD systems technology	538,380	338,000	338,000
Classified programs	44,353	28,753	28,753

Ballistic missile defense.—The Committee recommends an appropriation of $170,875,000 for the Army BMD advanced technology program

and $338,000,000 for the BMD systems technology program. It advises against accepting reprogramings from nontactical conventional Army programs to support new strategic defense initiatives.

The Committee believes that any new strategic defense initiatives that might generate from the Fletcher Commission which require additional funding should be submitted as part of a fiscal year 1984 supplemental appropriations request, and not as a reprograming. This will permit the full Congress to review the new strategic defense program and not cause undue harm to other Army programs that would be used as sources of the reprograming. The Committee disapproves of any Army action to reduce fiscal year 1984 funding for the BMD advanced technology and systems technology programs below the authorization level.

Because of the recent revelation of Soviet deployment of a new battle management radar in central Siberia, as well as earlier Soviet installation of rapidly deployable ABM radars and testing of surface-to-air missiles in an ABM mode, the Committee believes that it is vitally important to keep the BMD systems technology program funded at as high a level as possible.

The Committee requests that the Army, in consultation with USDR&E and the intelligence community, provide the Committee a report comparing current and projected United States-Soviet ABM capabilities no later than April 15, 1984. The report should address all Soviet ABM activities mentioned here, and the degree of asymmetry in overall United States-Soviet ABM capabilities. The report should be submitted in both classified and unclassified versions.

TACTICAL PROGRAMS

The recommended program includes $1,762,069,000 for tactical programs. This activity provides for advanced engineering, and operational systems development efforts on all aspects related to all conflict levels of tactical warfare, with emphasis on land warfare, battlefield air mobility, and related combat support. This includes developments to improve the Army's capabilities in the combat missions of battlefield surveillance, close combat, aerial and surface fire support, field army air defense, and mine warfare, plus improved capability in the related support missions of air and surface mobility, logistics-personnel support, communications, command and control, navigation, position locating, electronic warfare, physical security, and chemical/biological defense.

The Committee recommends the following major changes to the budget estimate, in accordance with the authorization:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation
JVX	36,497	29,197	
Antitactical msle	33,275	25,000	10,000
Jt. tac comm prog	46,766	46,766	72,566
Jt. interoperability tac cmd/cntrl	33,580	33,580	28,803
Fighting vehicle system	9,095	27,000	27,000

JVX.—The Committee recommends denial of the fiscal year 1984 budget request for the Army share of the joint services advanced vertical lift (JVX) development program, and directs that the Department of Defense promptly terminate all Army participation in the development program.

The Committee is providing $88,600,000 to the Navy for continuation of the JVX development program. While the Committee supports the Marine Corps requirement for a new amphibious assault aircraft, it has decided to put all fiscal year 1984 JVX funding in the Navy JVX line due to this change in Army funding.

The JVX program has been driven from both a technical and cost standpoint by the Marine Corps requirement for a 1991 initial operating capability for its amphibious assault aircraft. Initially, the program called for the investigation of a wide range of vertical lift technologies, but by late 1982 program officials were acknowledging that the tilt-rotor technology offered the best potential for meeting the vertical lift needs of the services.

During the fiscal year 1983 budget process, the Appropriations Committee urged DOD to submit developmental and acquisition cost estimates for this program. Not until late 1982 did the first cost estimates for the 1,086 airframe program come to the Committee. Total program acquisition costs were estimated at $45,700,000,000 in escalated dollars. Revised cost estimates (using lower inflation rates) presented to the Committee this spring placed the total program acquisition cost at $41,800,000,000. JVX development costs exceed $2,000,000,000 in escalated dollars and do not include the cost of developing the modern technology engine (to be used by the Army and Air Force—$700 million).

Consequently, the twin issues of affordability and mission requirements are of keen interest to the Committee. This is particularly so in the absence of competition in the JVX development program. Dr. Richard DeLauer, Under Secretary of Defense for Research and Engineering, testified before the Committee on June 16, 1983, that this is a one-bidder, sole-source program and that nothing really can be done to put the element of competition back into it.

By May 1983, the Army sent formal notification to OSD of its intention to withdraw from the JVX program. This was precipitated not merely by a funding problem but by the lack of a well-defined special electronics/intelligence mission for the aircraft and significant lifetime remaining for its special electronics mission aircraft (SEMA). Army budget documentation continues to stand behind the withdrawal.

The Committee does not believe that the Army should stay in the JVX development program during fiscal year 1984 when there are less costly SEMA alternatives available for earlier implementation. The Committee believes that the other three major missions for JVX (amphibious assault, search and rescue, special operations) do address valid military requirements. Army R&D funding previously programed for the defunct SEMA mission and JVX airframe development can be transferred by OSD to the Navy. Termination of Army participation will not impair the progress of the JVX development program.

The JVX program adjustment is discussed further in the "Navy R&D" account.

Antitactical missile.—The Committee recommends a reduction of $23,275,000 to the antitactical missile program. There is Committee support for the Army's efforts to respond to the Soviet tactical ballistic missile threat in Europe, but the program is not considered mature enough at this stage to warrant funding the full authorization of $25,000,000.

The ATM program is still in the conceptual phase. The Army cannot identify inventory objectives, or even an order of magnitude cost estimate for the program. As of the end of July 1983, the Army had not expended any of the $10,000,000 provided for the program last year. The Committee believes that ATM funding should be held to last year's level—$10,000,000—until such time as the Army can fully define its ATM defense requirements and identify outyear program funding profiles. The Committee is concerned that Army ATM outyear planning may force a drawdown in other critical air defense missile assets.

The Army should submit to the Committee the ATM requirements report requested by the Armed Services Committees of the House and Senate in the fiscal year 1984 authorization conference report.

Joint tactical communications program.—The Committee recommends an increase of $25,800,000 to the joint tactical communications program. The Army decided, after denial of communications nodal control element (CNCE) multiyear procurement, that a more cost-effective approach for providing nodal control capability is the modification of AN/TTC-39 circuit switches already at each node. The recommended increase is for that purpose and will provide a control capability 2 years earlier while reducing total investment and life-cycle costs.

JINTACCS.—The Committee recommends a reduction of $4,777,000 to the joint interoperability tactical command and control system (JINTACCS) program. This action would delete fiscal year 1984 funding for the JINTACCS (NATO) project, D298. This project is to develop standards which insure compatibility and interoperability among NATO and United States/allied tactical command and control systems, such as battlefield computers. To date, there has been no success in getting our NATO allies fully behind this program and no final decision is expected until fiscal year 1985. The Committee is displeased with the progress made on NATO standardization and cannot recommend continued JINTACCS (NATO) funding without assurance that prospective agreement will be reached in the near future.

Fighting vehicle system.—The Committee recommends an appropriation of $27,000,000 for the fighting vehicle system, an increase of $17,905,000 over the budget request. The additional authorized funds would be used to complete development and testing of the TOW 2 subsystem for integration into the Bradley fighting vehicle. Funds will be used specifically to develop and install an improved sight unit to provide the Bradley with the ability to fire at night and through fog and smoke.

Authorization reductions.—The Committee also recommends the following reductions in Army tactical programs in conformance with the authorization act:

AUTHORIZATION REDUCTIONS

[In thousands of dollars]

Programs	Budget estimate	Committee recommendation
Adv field arty tac data sys	31,906	21,906
155mm self-prop howitzer imp	64,497	34,497
Adv rocket control sys	31,069	
Surf-to-surf msl rocket sys	20,442	16,000
Electric power sources	10,586	7,000
Combat medical material	7,717	5,000
Meterologic eqpt dev	2,717	
Combat service supt control	481	
JSTARS	412	
A/C component imp program	16,363	13,000
Pershing II	22,841	18,000
Combat feeding cloth and eqpt	4,296	2,296
Tac electric power sources	9,782	5,618
Education and training	12,266	
Command and control	36,967	16,456
Remotely piloted vehicles	138,086	135,000
Automatic test supt sys	11,577	
Clasified programs	235,906	232,406
General reduction		-3,525

INTELLIGENCE AND COMMUNICATIONS

The recommended program includes $88,659,000 for intelligence and communications. This activity provides for advanced, full scale engineering and operational systems development efforts in intelligence, worldwide communications, and other defensewide mission support.

DEFENSEWIDE MISSION SUPPORT

The recommended program includes $797,019,000 for defensewide mission support. This activity provides for efforts directed toward support of installations or operations required for use in general research and development and not allocable to specific missions. Included are technical integration efforts, technical information activities, major test ranges, test facilities and general test instrumentation, target development, support of user test, international cooperative research and development, and other research and development support.

Authorization reductions.—The Committee has recommended the following reductions in Army defensewide mission support programs in conformance with the authorization act:

[In thousands of dollars]

	Budget estimate	Committee recommendation
TRADOC studies and analysis	1,508	
Supt of development testing	50,382	44,000
Supt of operational testing	62,378	50,000
Defense Sys Mngmnt College	200	
Programwide activities	74,362	68,000
DARCOM major range/test fac	333,373	315,000
Instl audiovisual spt (R&D)	6,037	

The Committee also recommends a $12,100,000 increase to cover Federal pay raise costs.

ITEMS OF SPECIAL INTEREST, ARMY

Coal-gasification-fuel cell cogeneration.—The Assistant Secretary of the Army for Research and Development is directed to provide a $820,000 planning grant through an interagency agreement with the Department of Energy to the appropriate university in Washington, D.C. This grant will be for the university-Department of Army-national exemplar for coal-gasification-fuel cell cogeneration program. The feasibility study will analyze specific Army sites in Pennsylvania, Alaska, and also at the appropriate university site in the District of Columbia, with scope of work as contained in the hearing record.

Army development and employment activity.—The Committee recommends, within the Army development and employment activity program, funding to initiate a $500,000 project for the development of ceramic elements for rotating valves for use in automotive and other engines. If developed, this technology would greatly increase the efficiency and reliability of combat vehicle engines. Based on this promise, the Committee is of the opinion that $500,000 is a minimum appropriation for fiscal year 1984. Accordingly, the Committee encourages the Army to submit a reprograming for additional funding to accelerate the program.

Joint tactical missile system.—In its report on the fiscal year 1983 supplemental appropriations bill for the Department of Defense, the Committee requested an evaluation of the potential involvement of our NATO allies in the codevelopment/coproduction of the joint tactical missile system (JTACMS). The Committee requested this report on the basis that greater use of joint codevelopment/coproduction weapons programs with our NATO allies offers the promise of more equally distributing the costs of the defense of central Europe among the members of the Alliance.

In response to the Committee report, Dr. Richard DeLauer, Under Secretary of Defense for Research and Engineering, noted that each of the three firms involved in the pre-full-scale development programs are discussing JTACMS development and production with interested European firms. However, due to the accelerated pace of development, the extent of cooperative development may be limited.

The Committee encourages the Department of Defense to continue its efforts to make JTACMS a NATO-cooperative program. The Committee requests a formal report on the nature and extent of allied involvement in the JTACMS program upon completion of the pre-full-scale development studies and DOD consultations with other NATO Defense Ministries on this issue. The Committee understands that completion of pre-full-scale development is in early 1984.

Chemical defense posture.—The Committee's review of Army deficiencies in the chemical defense area indicates that much needs to be done to upgrade the Army NBC protection program. The individual and unit readiness rates of U.S. Army troops in Europe is approxi-

mately 85 percent and 71 percent, respectively. However, in some areas, particularly that of decontamination, current U.S. Army capabilities can be described as submarginal at best.

The Committee directs the Army to report back to it by June 1, 1984, on our chemical defense readiness posture in Europe and the measures it intends to take to alleviate known deficiencies in such areas as individual equipment (hoods, overgarments), unit chemical agent alarms, unit chemical agent detection kits, unit decontamination systems, and unit collective protection shelters.

Included in this report should be an analysis of the NBC readiness posture of all three Army battalions to receive the Pershing II. The Committee understands that current and projected chemical defensive and decontamination system protection for the Pershing battalions is inadequate to meet the projected threat.

The Committee also desires a complete evaluation of the SANATOR decontamination system and its potential for procurement by the Army as a lightweight decontamination system. This evaluation should be submitted to the Committee, along with projected system acquisition costs and an outyear funding profile, no later than April 1, 1984.

Pershing C³.—The Committee has fully supported the procurement and R&D authorization for the Pershing II. However, the current command and control systems to support Pershing II in West Germany are very outmoded and will not be replaced until well after deployment concludes.

The current high-frequency radio system, called Cemetery Net, will be replaced by the more survivable Regency Net radio system. The satellite-based Flaming Arrow Net system will not be replaced for quite some time.

The Committee desires an Army report on what near-term measures could be taken to upgrade the Regency Net and the Flaming Arrow Net. This report should include an assessment of the feasibility of incorporating a single-channel transponder for the Flaming Arrow Net system. This report should be transmitted to the Committee no later than June 1, 1984.

Combat vehicle armor/antiarmor.—The Committee endorses the Army's efforts to develop and field advanced armor protection for its combat vehicles. Two technologies having much potential in this field are reactive and ceramic armor. The Committee recommends that an additional $1,000,000 be allotted to the combat vehicle survival-armor project from within this program element. The Committee continues to view this project as of higher priority than the combat vehicle antiarmor projectile project.

Terminally guided projectiles.—The Committee recommends an appropriation of $9,000,000 for terminally guided projectiles. The Committee understands that the Army requires the full $9,000,000 for the 155-mm SADARM fire and forget munition. This will permit a stable development program, including demonstration of improved sensing munition technology and advanced seeker technology.

Education and training.—The Committee believes that failures in the American educational system are leaving our young people unprepared for the technological sophistication of the jobs that the military and industry are creating in increasing numbers. With its vast technological base, the Department of Defense can play an important role in developing advanced training methods to correct these deficiencies. Such methods would not only benefit military training, but would have important ramifications for the private sector. Several important training R&D program elements were eliminated without prejudice during the authorization process. These programs were passed over not because the program or its goal lacked merit, but for other considerations. It is the view of the Committee that some of these program cuts, especially with regard to education and training, deserve further consideration. Education and training is a joint service program of fundamental importance to preparing personnel for the training demands of new hardware entering the weapon's inventory. As a result the Committee urges the Department of the Army to submit a reprograming proposal that will restore the original funding level ($12,266,000) for that program and insure that outyear funding is fully supported.

Aircraft powerplants and propulsion.—A total of $14,725,000 was authorized for the program element which includes the modern technology demonstrator engine (MTDE) program, with a reduction to this program element made without prejudice in the authorization. The Committee supports the prototype demonstrator phase of the MTDE and encourages the Army to reprogram funds needed to fully fund its contract obligations in fiscal year 1984.

Hellfire/Black Hawk integration.—The Committee has recommended bill language approved by the authorization providing that $15,000,000 shall be available to the Army only for integration (including qualification) of the Hellfire missile on the UH–60 helicopter. The Committee recognizes that the Army has serious reservations about implementing this congressional direction, and it believes the provision in the bill need not be construed as a congressional mandate. The Army should consult with the Appropriations Committees of the House and Senate on the expenditure of fiscal year 1984 funds, and also submit a plan for program execution.

Joint services small arms program.—The Committee recommends an appropriation of $6,000,000 for the joint services small arms program. This funding will enable the Army to continue to develop important programs such as the advanced combat rifle, man-portable general purpose heavy machine gun, improved caliber .50 penetrator ammunition, and the close assault weapon.

As the Committee noted in its report on the fiscal year 1982 Department of Defense appropriation bill (S. Rept. 97–273), it is an amply documented fact that the United States-Soviet small arms gap is widening due to a sustained Soviet small arms modernization effort and a lagging U.S. program. While the Committee recommendation is $3,000,000 below the authorization level, it does fully fund the administration request. The Committee restates its strong support for these programs and

encourages efforts to modernize U.S. small arms technology. The Committee further urges the Army to consider a proposal to reprogram funds to the authorized level.

Research, Development, Test, and Evaluation, Navy

1983 appropriation	$5,965,751,000
1984 budget estimate	8,059,743,000
House allowance	7,473,937,000
Committee recommendation	7,487,554,000

The Committee recommends an appropriation of $7,487,554,000 for the Navy's research, development, test, and evaluation programs, a reduction of $572,189,000 to the budget request.

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Change from budget
Technology base	884,336	775,441	771,441	-112,895
Advanced technology development	210,975	179,579	175,089	-35,886
Strategic programs	1,810,048	1,795,458	1,800,201	-9,847
Tactical programs	4,300,205	3,817,500	3,833,965	-466,240
Intelligence and communications	346,080	343,451	343,451	-2,629
Defensewide mission support	634,099	658,732	708,807	+74,708
Revised economic assumptions	-126,000	-126,000	-126,000	
Civilian pay raise			1,600	+1,600
Professional management services adjustment		-12,859	-21,000	-21,000
Manufacturing methods and technology transfer		42,635		

Programs and Activities

The budget activities and programs funded under this appropriation are discussed below. These activities and programs require annual authorization prior to appropriations pursuant to the provisions of section 412(b) of Public Law 86–149, as amended.

TECHNOLOGY BASE

The recommended program includes $771,441,000 for technology base. This activity finances basic research and exploratory development with the primary objective of increasing the store of fundamental scientific knowledge adaptable to the solution of widely varying future Navy requirements. A strong technology base is needed in order to (1) maintain technological superiority in military weapons, thus offsetting adversary numerical advantages, (2) avoid technological surprise that could cause premature obsolescence of major weapons systems, and (3) lead to acquisition of effective but less costly capabilities by using innovative products built on new technology.

The Committee recommends the following change to the budget estimate:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation
Defense research sciences	300,840	300,840	296,840

Authorization reductions.—The Committee recommends the following reductions, in accordance with the authorization:

[In thousands of dollars]

	Budget estimate	Committee recommendation
Aircraft	27,236	26,236
Missile propulsion	12,014	11,000
Strike warfare wpnry	29,188	27,188
Ships, subs, and boats	39,146	31,146
U/S warfare wpnry	29,093	25,423
U/S target surv	40,930	37,628
Surf/Aero tgt surv	36,635	34,986
Command and control	36,112	30,187
Countermeasures	29,633	28,133
High energy laser	67,902	0
Human factors and sim	8,366	7,500
Ocean and atomos supt	19,474	18,500
Logistics	15,327	13,786
Materials	38,243	36,000
Elex device	30,190	25,872
Personnel and training	7,746	5,810
Lab indep exploratory devel	13,146	12,091

ADVANCED TECHNOLOGY DEVELOPMENT

The recommended program includes $175,089,000 for advanced technology development. This activity provides for exploration of alternatives and concepts prior to development of specific weapons systems. New technological developments are pursued which are not formally identified to specific operational requirements. This effort includes feasibility demonstrations of innovative new concepts and emphasizes hardware competition and pursuit of alternate solutions to potential military problems. Particular emphasis is placed on demonstrating new concepts to provide improved naval warfare capability in the 1980's and 1990's, including naval air, surface and subsurface vehicle and related propulsion and electronics technology, undersea and ocean surveillance, naval warfare target detection, acquisition and weapon technology and training and personnel technology.

The Committee recommends the following changes to the budget estimate:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation
Air-to-air missile technology demonstration	10,022	9,000	4,022
Advanced computer technology	9,900	9,900	3,272

Air-to-air missile technology demonstration.—The $6,000,000 reduction to the air-to-air missile technology project would defer advanced ramjet propulsion and multimode guidance work needed to support a Navy decision for a follow-on to the Phoenix missile next year. The Phoenix follow-on would be based on the small Sparrow-size airframe.

The Committee believes that this work is premature, and that it should not begin until the Navy has clearly defined all of its Outer Air Battle missile requirements—both surface-to-air and air-to-air. The Navy should report back on its Outer Air Battle missile requirements (SM–3, AMRAAM, Phoenix follow-on), program affordability, and highlight future R&D work for a Phoenix follow-on as a separate line item.

Advanced computer technology.—The Committee recommends a reduction of $6,628,000 to advanced computer technology. This program develops standard Navy support software for Navy computers. A total of $5,815,000 was added to the fiscal year 1984 program to make the Ada programing language applicable to UYK–43 and UYK–44 computers. The authorization fully funded the program, even though both Armed Services Committees originally recommended reductions. A general provision prohibiting the obligation or expenditure of funds for the full-scale engineering development of these computers was included in the final authorization conference bill.

The Committee expresses the same concerns of the authorization conference, but desires to overturn its action restoring Navy Ada support environment and Ada run-time support for the UYK–43 computer. Given the concern of the Armed Services Committees over the introduction of advanced microelectronic chip set computers into Navy weapons systems, the Committee sees no compelling reason to proceed with Ada development support for the UYK–43 and UYK–44 at this time.

Authorization reductions.—The Committee has also recommended the following reductions in Navy advanced technology development programs in conformance with the authorization act:

[In thousands of dollars]

	Budget estimate	Committee recommendation
Environmental applications	8,086	5,653
Advanced aircraft subsys	4,884	3,200
Aircraft systems (adv)	982	0
Adv air inch ASM tech	2,439	2,000
Jt service ed dev (adv)	5,011	4,511
Oceanog instrmtatn dev	6,168	2,999
Medical development (adv)	10,275	8,384
Mnpwr control sys dev	2,915	1,805
Adv marine biolog sys	4,242	3,980
Ocean eng tech develop	21,704	16,704
Adv mod comp demonst	488	0
Education and training	2,799	2,239
Environmental protection	10,412	8,150
Nav tech info present sys	3,257	2,000
Personnel productivity	733	0
A/B electromag and op sys/adv	488	0

STRATEGIC PROGRAMS

The recommended program includes $1,800,201,000 for strategic programs. This activity provides for all research and development efforts on strategic offensive, defensive, and control systems. Primary emphasis is on development to assure continued viability of sea-based nuclear second strike capability.

Authorization reductions.—The Committee recommends the following changes to Navy strategic programs, in conformance with the authorization act:

[In thousands of dollars]

	Budget estimate	Committee recommendation
SSBN security program	39,782	37,282
SSBN subsystem tech prog	7,347	

TACTICAL PROGRAMS

The recommended program includes $3,833,965,000 for tactical programs. This activity provides for advanced, engineering, and operational systems development efforts on all aspects related to all conflict levels of tactical warfare, with emphasis on sea control, Navy and Marine Corps air operations, Marine Corps amphibious operations, and related combat support. This includes developments to improve the Department of the Navy's capabilities in the combat missions of ocean surface surveillance and targeting, undersea surveillance, antisurface (including interdiction and air defense suppression), antiair (including air superiority), antisubmarine, amphibious and special warfare, and naval mine warfare, plus improved capability in the related support missions of air and surface mobility, logistics/resupply/transfer, personnel support, early warning, communications, command and control, tactical intelligence and reconnaissance, navigation, identification, position locating, traffic control, electronic warfare, physical security and developments related to major multimission naval vehicles.

The Committee recommends the following changes to the budget estimate:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation
Common ejection seat			1,000
JTIDS	121,200	121,200	106,454
F-14A	42,705	42,705	35,000
JVX	53,431	43,431	88,600
A-6E STOL demonstrator/A-6F upgrade	31,029	14,634	
Ship subsystem dev/LBTS	110,217	80,000	79,700
Bigeye	[1]8,114	8,114	8,114
Advanced mine devel			4,000
Link Cedar	9,756	5,000	
Intelligence (eng)	8,890	9,990	9,990
Helicopter development	24,559	35,000	35,000

[1]Budget amendment item.

Common ejection seat.—The Committee recommends an additional $1,000,000 above the authorization to accelerate a common ejection seat development program for the Navy. This will initiate a meaningful and necessary ejection seat competition at the earliest possible time for the F-14D, F/A-18, TF-18, and T-45A. It is the intent of the Committee to encourage the participation of domestic ejection seat producers in this program. The Committee is convinced that ejection seats are suitable items for competitive development and procurement.

JTIDS.—The Committee recommends a reduction of $14,746,000 to the joint tactical information distribution systems (JTIDS) program. This action will slow terminal development and defer two new project starts not identified last year as being fiscal year 1984 requirements: the command and control (C^2) processor and LINK II improvements.

Last year the Committee recommended a reduction to Navy JTIDS based on the fact that the Navy was accelerating the integration effort too fast. The Committee continues to express its concern over annual Navy changes in the JTIDS development program. The Navy should stabilize the JTIDS program following absorption of the fiscal year 1984 reduction.

F-14A.—The Committee recommends a reduction of $7,705,000 to the F-14A squadrons program. The fiscal year 1984 budget request was increased by $23,883,000 over last year's projection to support a major new radar improvements and avionics program. Full funding is required to support a fiscal year 1988 F-14A production decision.

The Committee hesitates at recommending full funding for the F-14 squadrons program because of Navy failure to justify the full cost and scope of the F-14 improvements. Not until July 6, 1983, did a memorandum from the Secretary of the Navy to the CNO outline a total cost ceiling of $800,000,000, of which $150,000,000 is allocated for a new engine.

The Committee recommends a slower start for the F-14 radar/avionics improvement program. The Committee is not convinced that the program described in the July 6 memo is affordable or that the reengining requirement is valid. It appears that the Navy wants to piggyback on the Air Force fighter engine competition and gain financial savings

from the expanded fighter engine production base. The Committee must first be convinced that a valid reengining requirement truly exists

JVX.—The Committee strongly supports the continuation of the JVX tilt rotor aircraft development. This program has significant potential to provide breakthrough technology enhancing conventional and special operations forces, strategic mobility, and tactical flexibility as well as providing new capabilies for the Nation's commercial shorthaul aviation industry.

The services requested a total of $104,279,000 for the JVX tilt rotor aircraft as follows: Navy $53,431,000, Army $36,497,000, Air Force, $14,351,000. The Committee recommends an appropriation of $88,600,000 for the JVX program, adding $35,169,000 to the Navy request and deleting the funds requested by the Army and Air Force. This consolidation of funds does not mean lack of Committee support for the multiservice nature of this program. Rather the consolidation is intended to strengthen the program by assigning control of the funds directly to the service with executive responsibility for the JVX development. However, the Committee is mindful that only one contractor team bid on this program, and, therefore, believes that the administration's request can be reduced.

It has been clear that differences in the services' needs have led to fluctuations in the joint agreements for developmental funding. Although there are obvious potential uses of these aircraft for many Army, Navy, and Air Force missions, only the Marine Corps' having the earliest operational need, has sustained a consistently high urgency and priority.

The Committee is aware of recent instructions to the military departments by the Deputy Secretary of Defense to be prepared to accept development programs that are second best solutions to your services' mission needs inorder to provide a first best solution for the Department of Defense as a whole. This approach in the Committee's view applies to the JVX. Accordingly, the Secretary of Defense is requested to provide to Congress, along with the fiscal year 1985 budget submission, a listing of potential missions that could be upgraded significantly by the JVX aircraft. Aggregating the potential for the tilt rotor concept will aid in understanding its national benefits, and should suggest to the Department of Defense a funding arrangement that will not overload the budget of the sponsoring service.

The Secretary of Defense is requested to keep the Congress advised of any significant changes to JVX funding requirements or to the acquisition strategy for its urgently needed introduction.

The JVX aircraft will offer the Marines a much improved standoff, over-the-horizon capability. It also provides the Marines with a significant improvement in assault payload. The JVX will provide the Navy with a unique, multimission aircraft with special utility for the search and rescue mission. JVX also offers a 700-nautical mile special operations capability. The Committee supports these mission requirements, and encourages OSD to keep the program on schedule and affordable.

The tilt-rotor technology offers the prospect of multiple civilian applications. The Committee believes that continuation of the JVX development program is particularly important because of its spinoff for the civilian sector. Successful development of the JVX will provide the country with an important national asset.

Technical assessments rendered to the Committee by DOD and NASA concur in the finding that the major areas of risk in JVX development (scaling, aeroelastic stability, etc.) are no more than moderate. The Committee is impressed with this technical assessment, and supports completion of the 23-month preliminary design phase of the JVX development program. Funds provided by the Committee in fiscal year 1984 for JVX development for the Navy are sufficient to permit continuation of the preliminary design phase of the program by the contracting team.

A–6F.—The Committee has not recommended any fiscal year 1984 funding for the Navy A–6 STOL and A–6F research and development programs. The A–6F program would involve improvements to the A–6E engine, airframe, radar, and avionics systems to support the full-scale production of this aircraft by 1988.

The Committee has been advised that the Navy is presently conducting a review of options for modernizing its inventory of fleet air defense and all-weather attack aircraft in a cost-effective manner. A study commission has been appointed to evaluate alternative approaches, and guidance on possible design configurations is being solicited from several sources, including private industry.

In recognition of the Navy's requirements in this area, the Committee looks forward to future testimony on the means selected for economically upgrading this element of naval aviation.

To insure the earliest possible consideration of the study commission's recommendation, the Department should make every effort to accelerate its work and to submit its report by November 1, 1983.

Ship subsystem development/land based test site.—The Committee recommends a reduction of $30,517,000 to the Navy's ship subsystem development/land based test site program. An additional reduction of $300,000 beyond the authorization is applied against a stores ship which is no longer required.

Bigeye.—The Committee recommends accepting the budget amendment increase of $4,700,000 for Bigeye binary spray bomb research and development. The administration decided to defer funding Bigeye production in midyear, stating that additional development was required to assure a quality product prior to production.

The Committee agrees to continue Bigeye development at the requested level, but notes that its continuation of the development program in no way implies support of eventual production. The Committee will closely review all future procurement funding requests for munitions capable of delivery binary chemical agents beyond artillery range.

Advanced mine development.—The Committee recommends approval of $4,000,000 for a new Navy advanced mine program. This program was added by the authorization conference following the decision not to fund a Captor modification program.

The Committee has long contended that Navy funding of mine warfare programs has been inadequate. By supporting this new program, the Committee wants to show its continuing support for Navy R&D work in the mine warfare area. The Committee notes that an August 1, 1983, letter from the Assistant Secretary of the Navy (Research, Engineering, and Systems) stated that it is the Navy's intention to begin development of the next generation replacement for Captor with fiscal year 1983 funds previously appropriated for the defunct medium depth mine program. Approval of the fiscal year 1984 funding for the next generation mine will prevent a break in the R&D funding profile and prevent the Navy from losing its only mine R&D program in fiscal year 1984.

The Committee recommends funding all other Navy mine warfare and mine countermeasures research and development programs. These cover countermeasures technology, undersea warfare weapons, airborne mine countermeasures, surface mine countermeasures, and the mine development programs. The Committee believes this is an area of naval warfare that has been too restricted by fiscal constraints, partly caused by the Navy's effort to concentrate funding on the shipbuilding program. A prompt improvement in U.S. naval capabilities in such areas as port clearance, support of fleet operations, and choke point clearance is imperative. The Navy continues to hesitate in development of new mines, whether they be of shallow, deep or intermediate depth.

The Committee directs the Navy to submit a mine warfare master plan, to include a 5-year funding profile for the new next generation mine, no later than March 31, 1983. This mine warfare master plan should include discussion of all the major program areas outlined above.

Link Cedar.—The Committee recommends termination of Link Cedar, a classified Navy program.

Intelligence (eng).—The additional $1,100,000 is for the classified Navy intelligence program.

AH–1T–Plus.—The Committee has recommended an unbudgeted increase of $10,441,000 authorized for helicopter development. These additional funds will be used for test and evaluation of the AH–1T Sea Cobra with T–700 engines. The Marines budgeted $583,000 for this project in fiscal year 1984 and have continued to fund the program through below-threshold reprogramings. Marine Corps plans now call for procurement of the AH–1T–Plus, which would incorporate the T–700 and other changes in the next purchase of 44 aircraft, as discussed earlier.

Authorization reductions.—The Committee also recommends the following reductions in Navy tactical programs in conformance with the authorization act:

[In thousands of dollars]

	Budget estimate	Committee recommendation
A/B infrared cntrmeasures	14,668	12,668
Tac cmd cont comm	12,261	10,261
CV ASW module	6,435	3,928
Shpbd info transfer sys	5,320	2,320
Adv sub supt eqpt prog	5,753	2,322
Adv ASW target	3,865	2,000
Submarines (adv)	88,922	83,000
Ship development (adv)	16,246	15,246
Facilities improv	7,999	4,913
ITSS	30,181	20,334
ASW surveillance	11,093	5,593
AV-8B (eng)	118,218	104,000
Environmental systems	2,679	594
P-3 modernization program	19,934	12,817
A/C survivability and vulner	12,310	11,500
Submarine sonar devel	12,661	8,330
Retract Silver	144,991	0
IIR maverick	19,620	5,020
Army/Navy SAM tech	10,174	4,000
AIR-L Tomahawk (MRASM)	19,512	0
BGAAWC	7,826	6,458
Sub tac W/F sys (adv)	13,863	11,500
Attack submarine devel	9,785	7,000
Adv nuc reactor comp and sys	31,381	27,000
Combat sys integration	17,128	15,128
Lamps MK-III	4,392	2,200
Aegis area air defense	16,580	12,580
Air-to-air msl sys eng	3,987	3,000
NATO Sea Sparrow	11,122	5,000
Tomahawk	135,690	129,285
5-inch rolling airframe msl	4,635	3,900
NATO Sea Gnat	7,880	4,000
Oceanog instr supt	391	0
Intell/EW sys	5,411	4,411
C6-47 product improvement	70,452	56,631
Standard msl improvements	40,262	32,019
Submarine comm	6,164	4,932
Sub sonar devel (eng)	61,222	53,000
Radar surveillance eqpt	13,662	10,439
Sub supt eqpt program	7,249	3,762
Ship survivability	5,295	4,385
Sub tac W/F sys (eng)	50,960	47,960
Mine dev (eng)	15,480	12,697
Jt serv EOD dev (eng)	3,733	3,233
Command and control sys (eng)	26,017	20,181
Surface W/F training dev	28,069	27,069
Regional tactical surv	39,023	29,000
Medical devel (eng)	2,426	1,926
Fleet tactical D&E	19,327	17,666
HY 130 Steel	1,952	0
ABN electronic warfare eq	23,220	18,220
ASPJ	47,366	42,366
Electromag spectrum mngmt	7,301	5,500
Mngmt and tech supt	12,237	11,685
Tactical electro supt	1,050	0
Flt telecom (TAC)	41,963	33,430
Mines and mine supt	15,909	909
U/S surveillance system	52,442	49,649
Surtass	3,478	1,000
Special projects	16,051	15,500
Electronic warfare supt	9,529	8,014

[In thousands of dollars]

	Budget estimate	Committee recommendation
Counter C3 devel	15,240	11,533
AN/SQR-18 TACTAS	687	0
Submarine silencing	18,185	12,283
Tactical intell proc supt	2,413	1,942
F/A-18 squadrons	27,159	17,000

INTELLIGENCE AND COMMUNICATIONS

The recommended program includes $343,451,000 for intelligence and communications. This activity provides for advanced, full scale engineering development and operational system development efforts in intelligence, worldwide communications systems, and other defensewide mission support, including meteorological activities.

The Committee recommends no additional changes from the authorization conference report.

DEFENSEWIDE MISSION SUPPORT

The recommended program includes $708,807,000 for defensewide mission support. This activity provides for efforts directed toward support of installations or operations required for use in general research and development and not allocable to specific missions. Included are technical integration efforts, technical information activities, major test ranges, test facilities and general test instrumentation, target development, international cooperative R&D, and other R&D support.

Joint advanced systems.—The Committee recommends adding $129,000,000 for joint advanced systems, a classified program.

Authorization reductions.—The Committee also recommends the following reductions in Navy defensewide mission support programs in conformance with the authorization act:

[In thousands of dollars]

	Budget estimate	Committee recommendation
Range inst and sys devel	14,099	9,873
Trng and pers sys devel	5,703	3,285
Jt mnpwr/pers proto	7,281	0
Studies and analyses supt/Navy	6,261	5,261
Center for naval analysis/Navy	12,672	10,672
Tech info services	4,507	1,665
Autec	49,197	44,968
International RDT&E	2,095	1,572
RDT&E lab and fac mgmt supt	64,827	60,289
RTD&E ship and A/C supt	74,508	69,353
Test and eval supt	287,212	267,162

Civilian pay raise.—The Committee recommends an increase of $1,600,000 to the Navy RDT&E program for the cost of providing a pay raise for Navy civilian employees.

Enhanced modular signal processor.—The Committee has not approved a $9,000,000 increase authorized for the advanced signal processor common operator system (ACOS). ACOS is related to the development of software for the enhanced modular signal processor. Should the Navy believe that such work is required in fiscal year 1984, the Committee is willing to entertain a reprograming action.

Standard missile.—The Committee understands that the Navy is in the process of reviewing its surface-to-air missile options in its outer air battle study. These options include development of a derivative of the SM II missile (block III), and a new developmental missile, the SM–III. The requirement is for a longer range missile with multimode guidance (infrared and semiactive) to intercept Backfire in a severe jamming environment.

The Committee has an open mind on this issue, and believes the Navy should be permitted an unconstrained review of its options. Any program presented for fiscal year 1985 funding should be affordable.

MK 92 fire control system.—The Committee recommends the budget request of $35,593,000 for the MK 92 fire control system, but does not support the additional $37,000,000 authorized to cover cost increases in the phase III upgrade program.

Committee review of the fiscal year 1984 program showed that a $107,700,000 program cost growth has been incurred on the phase III upgrade program through land-based testing. If at-sea testing is required, an additional $53,000,000 will be required for ship installation and TECH/OPEVAL. This program, which would develop a four-faced, X-band phased array radar for the MK 92 fire control system, is now projected at a unit cost of $30,000,000 per copy, the same as that of the modular integrated radar system. MIRS previously had been supported by the Navy, prior to congressional direction to implement the phase III upgrade program. MIRS offers the promise of much greater capability than the phase III program at an acceptable cost. The Committee believes that development of this more capable search radar could be unduly delayed because of the cost growth in the phase III upgrade program.

The Committee finds the projected cost growth in the phase III upgrade to be unacceptable. The Navy contends that the phase II program satisfies its detection requirements and that the phase III upgrade provides only a marginal improvement over phase II. The Navy noted in answer to Committee questions earlier this year that, "* * * the addition of a four-faced, X-band phased array radar to the present MK 92 system may not result in an increased military capability commensurate with its projected cost."

The Committee directs the Navy to submit a should cost study on the phase III upgrade program to the Committee no later than July 1, 1984. Future funding is contingent upon the Secretary of the Navy certifying in writing that firm costs and schedules for the upgrade program exist, and that current Navy concerns about the affordability of this program have been resolved.

Trident II MARV.—The authorization conference added $10,000,000 for the purpose of maintaining the option of a maneuvering reentry vehicle (MARV) for the Trident II SLBM. The funding also would have allowed additional work on the interface with the Trident II required for a large, accurate reentry body and/or penetration aids. The Committee understands that fiscal year 1985 funding for development of a MARV capability is still being evaluated. Fiscal year 1984 funding is considered premature at this point, but the Committee will entertain a reprograming proposal if the Navy budgets for the program in fiscal year 1985. The Committee believes that, as reflected in the recommendations of the Scowcroft Commission, the MARV program is required.

SH–60 carrier variant.—The Committee fully supports the program and directs the Navy to proceed with the program in an expeditious manner. For this reason, the Committee recommends approval of the full $19,711,000 requested and authorized.

Marine Corps light helicopter squadrons.—The UH–60A Black Hawk was originally developed by the Army as an assault helicopter to replace the UH–1 Huey. Because of all the cost and logistical advantages to be derived from using a common airframe and engine, the Navy and Air Force are now planning to buy variants of the Black Hawk to meet a wide range of operational requirements. Such advantages must be exploited to the maximum extent possible.

The Marine Corps has a requirement to replace its fleet of 140 UH–1N aircraft that equip its light helicopter squadrons. For this reason, the Committee recommends that the Marine Corps develop a plan for modernizing those squadrons and that such a plan be presented to Congress next year. In preparing that report, the Marine Corps should consider the desirability of using a variant of the H–60 to fulfill that requirement.

C/MH–53E helicopter development.—The Committee is of the view that composite rotor blades should be developed for installation on both the MH–53E and CH–53E helicopters. Composite blades would provide better performance and lower support costs. Fiberglass rotor blades are currently in use on the CH–46, CH–47, and AH–1T helicopters and are being developed for other advanced helicopters such as the AH–64 Apache and UH–60A Black Hawk helicopters. The Committee, therefore, recommends that $2,000,000 of the $32,880,000 for the CH/MH–53E program be used to initiate development of the composite main rotor blade. Total development costs would be about $15,000,000.

Submarines (adv).—The Committee has supported full funding for the new design SSN attack submarine at the authorized level. The Navy has initiated a highly ambitious program, designed to meet increases to the Soviet threat to our current SSN–688 attack submarines. A total funding requirement of $51,000,000 was budgeted in fiscal year 1984 for the program. The Committee deferred a $10,000,000 reprograming in fiscal year 1983 because it viewed the new design SSN program as a new start.

The new design SSN would achieve significant improvements in such areas as quieting, speed, and firepower. While the Committee supports in principle the requirement for a new design SSN, it is concerned that its force multiplier effect has not been defined nor the force mix determined. Moreover, the Committee is concerned that the Navy has not analyzed how improvements to the 688 class submarines may best utilize new design SSN technology.

Until the Navy has addressed these issues, the Committee cannot be assured that it is proceeding with a cost-effective program that will meet its goal of maintaining a 100-level attack submarine fleet. The Navy should submit a report to the Committee outlining its projected mix of attack submarines to accompany the fiscal year 1985 budget submission.

Further, the Committee directs that from within funds available the Navy must insure a competitive advanced technology propulsion system unit production base, to include the improved performance machinery program.

Medical development.—In recommending $8,384,000 for the medical development program, the Committee wants to insure that $2,860,000 be made available for the impact injury medical development project. This is the same level as provided for this project in fiscal year 1983. The Committee will give sympathetic consideration to a Navy reprograming proposal for this project.

SH–2F ASW helicopter program.—In last year's conference report, the Appropriations Committees directed the Navy to reprogram $9,000,000 to modify one SH–2F prototype aircraft with T–700 engines and to make it available to the Navy for test and evaluation in 1984–85. This work was to be performed by the contractor using excess fiscal year 1983 SH–2F procurement funds derived from contract savings.

To date, the Navy has not complied with the Committees' direction.

In the absence of an appropriate response on the part of the Navy, the Committee directs the Navy once again to reprogram $9,000,000 in available funds for the purpose of modifying one SH–2F aircraft with T–700 engines.

Research, Development, Test, and Evaluation, Air Force

1983 appropriation	$10,650,661,000
1984 budget estimate	12,781,197,000
House allowance	12,121,001,000
Committee recommendation	12,323,026,000

The Committee recommends an appropriation of $12,323,026,000, a reduction of $458,171,000 to the budget request.

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Change from budget
Technology base	735,195	725,258	722,370	-12,825
Advanced technology development	600,647	508,963	543,447	-57,200
Strategic programs	5,855,093	5,516,658	5,794,246	-60,847
Tactical programs	2,614,703	2,225,041	2,281,639	-333,064
Intelligence and communications	1,539,789	1,633,489	1,633,489	+93,700
Defensewide mission support	1,651,770	1,727,592	1,629,293	-22,477
Revised economic assumptions	-216,000	-216,000	-216,000	
Civilian pay raise			12,100	+12,100
General reduction			-40,000	-40,000
Overhead transfer to O&M			-37,558	-37,558

Programs and Activities

The budget activities and programs funded under this appropriation are discussed below. These activities and programs require annual authorization prior to appropriations pursuant to the provisions of section 412(b) of Public Law 86–149, as amended.

TECHNOLOGY BASE

The recommended program includes $722,370,000 for technology base. This activity funds basic research and exploratory development, with the goal of increasing scientific knowledge to maintain U.S. technological superiority, avoid technological surprises and lead to the acquisition of more cost-effective weapons systems.

The Committee recommends the following changes in the budget estimate:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation
Defense research sciences	180,888	180,888	176,000
Personnel utilization technology	8,157	7,000	7,000

Defense research sciences.—The Committee recommends a reduction of $4,888,000 to the defense research sciences program. This program was increased by more than 16 percent over last year's appropriation to support across-the-board increases in many basic research areas—physics, electronics, materials, and so forth. This reduction will still permit real growth of more than 8 percent for the Air Force basic research effort. Funding for the university research instrumentation initiative should remain at $10,000,000.

Personnel utilization technology.—The Committee recommends a reduction of $1,157,000 to bring the level of effort for the personnel utilization technology program closer to fiscal year 1983 levels plus inflation. The Committee would recommend that the Air Force descope the force acquisition and distribution systems project, which was increased by 60 percent in fiscal year 1984.

Authorization reductions.—The Committee recommends the following reductions, in accordance with the authorization act:

[In thousands of dollars]

	Budget estimate	Committee recommendation
Aerospace biotechnology	43,614	42,114
Conventional munitions	40,833	39,500
General reduction		-3,947

ADVANCED TECHNOLOGY DEVELOPMENT

The recommended program includes $543,447,000 for advanced technology development. This budget activity funds alternatives and concepts prior to the engineering development of specific weapons systems. New technological developments are pursued which are not formally identified prior to specific operational requirements. The fiscal year 1982 Air Force program includes funding for aircraft propulsion and electronics technology, very high speed integrated circuits, air warfare detection acquisition and weapon technology, personnel technology, information processing and flight simulator technology, and other related activities.

The Committee recommends the following changes in the budget estimate:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation
Advanced missile propulsion	3,333	3,333	1,279
Conventional weapons	32,032	25,532	18,500
Advanced computer technology	6,892	6,892	5,621
Strategic laser systems technology		40,000	60,000

Advanced missile propulsion.—The Committee recommends a reduction of $2,054,000 to the advanced missile propulsion program. This denies a fiscal year 1984 start for the advanced strategic air-launched missile propulsion project, designed to meet advanced air-to-surface, conventional standoff weapons, and antisatellite propulsion requirements. This project was not identified last year as being a fiscal year 1984 requirement, and budget documentation does not indicate an urgent need for fiscal year 1984 funding. The Committee defers consideration of this project until fiscal year 1985.

Conventional weapons.—The Committee recommends a reduction of $13,532,000 to the conventional weapons program. This includes the decrease already approved by the authorization conference, and a further reduction of $10,000,000 to defer the Axe surface-to-surface ballistic missile.

The Committee notes that the Air Force has no formal requirement for a missile such as Axe to counter Warsaw pact airfields and runways. The estimated unit cost of Axe is high ($3,000,000 to $5,000,000), and given the lack of firm requirements or inventory objectives by which to measure the potential scope of the program, the Committee is not in-

clined to start it this year. Furthermore, the Committee notes that the Axe concept is not fully supported by our NATO allies, since it involves NATO border crossing authority and has a ballistic trajectory. Further, the Committee questions why a program of this kind, if needed, should not be managed by the Army.

Advanced computer technology.—The reduction of $1,271,000 recommended in the advanced computer technology program denies cost growth associated with the Ada integrated environment project. As expressed elsewhere in this report, the Committee is concerned about excessive cost growth in computer software.

Strategic laser systems technology.—The authorization act rejected the Air Force space laser program, and instead created a new $60,000,000 program called strategic laser systems technology. A total of $20,000,000 is authorized for research and analysis on strategic laser systems issues such as vulnerability, lethality, and command and control requirements. Another $40,000,000 is authorized for new work on development of visible/ultraviolet lasers with promise for weapons purposes.

The Committee approves $60,000,000 for this program. It recommends that $36,500,000 be directed toward space lasers and that $23,500,000 be devoted to the new visible/ultraviolet laser technology effort.

The Committee has adopted bill language prohibiting the obligation of all short wavelength laser funds authorized above the budget request prior to the submission of a report by the Defensive Technologies Study Team (known as the Fletcher Commission) recommending a plan for the expenditure of laser technology funds.

The Committee is hopeful that the findings of the Fletcher Commission will provide the basis for a national consensus on directed energy weapons research and development. Recent congressional actions have forced annual redirection of the directed energy program, to the detriment of overall program stability. Until the Fletcher Commission presents its report and the Department of Defense supports its recommendations in the form of formal budget submissions, the Committee hesitates at providing full funding for the visible/ultraviolet laser technology effort.

The Committee considers acceleration of research and development in the area of space lasers to be a high national priority. Its review of the fiscal year 1984 laser program indicates chemical laser technology is more mature than short wavelength technology and offers the best prospect for the earliest deployment of a space laser weapon. The Committee has added funds above the authorization allotment for this program because of its concern that the annual authorization reductions made to the program will only force continued milestone slippage and cost growth. Additional funds are required to address critical systems concepts for a space laser defense system, such as target acquisition and battle management. The additional funds are expressly provided for that purpose.

The Committee would entertain supplemental budget requests and reprograming actions for both of these programs.

Authorization reductions.—The Committee also recommends the following reductions in Air Force advanced technology development programs in conformance with the authorization act:

[In thousands of dollars]

	Budget estimate	Committee recommendation
Adv mil spaceflight cap	2,758	
Space sys env interac tech	2,557	1,050
Advanced radiation tech	82,530	62,530
Ad airborne radar	4,174	
Logistics R&D req	5,291	3,000
Adv avionics for aircraft	25,280	20,000
Flight vehicle tech	15,039	14,000
Reconn sensors/proc tech	7,738	5,000
Crew sys tech	7,862	6,900
Adv fighter tech int	19,492	12,099
Adv sys int demo	29,023	24,023
Cartographic appl	1,299	
Space laser tech	36,095	
Manpwr and pers sys tech	1,830	800
Civil/envrn eng tech	5,007	4,407
CCM adv dev	10,559	9,000
Innovations in ed/trng	6,118	4,500
C3 adv devel	16,715	15,715
Electro-optical warfare	20,714	16,714

STRATEGIC PROGRAMS

The recommended program includes $5,794,246,000 for strategic programs. This budget activity provides for all research and development on Air Force strategic offensive, defensive, and command, communications, and control programs. The development of these systems will provide a survivable land-based intercontinental ballistic missile retaliatory capability, modernization of the strategic bomber force and survivable strategic communications.

The Committee recommends the following changes in the budget estimate:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation
KC–135 squadrons	11,300	11,300	7,301
WWMCCS ADP-NORAD/ADCOM	31,257	31,257	23,649
Common strategic rotary launcher	41,473	41,473	65,000
ICBM follow-on technology	[1]604,000	354,000	584,000
Strategic conventional standoff	35,000	10,000	10,000
Air launched cruise missile	28,547	39,547	39,547
Classified programs	[1]1,113,986	1,128,986	1,128,986

[1] Budget amendment item.

KC–135 squadrons.—The Committee recommends a reduction of $3,999,000 to the KC–135 squadrons program. The Committee believes that the KC–135 squadrons modernization program can be performed within available resources and that a small reduction can be made without severely impacting the fiscal year 1984 program.

WWMCCS ADP-NORAD/ADCOM.—The Committee recommends a reduction of $7,608,000 to the world wide military command and control system automatic data processing—North American Air Defense Command (WWMCCS ADP-NORAD/ADCOM) program. No formal budget amendment was forwarded to this Committee indicating that funding requirements for the program have changed from the initial request of $16,149,000. The program has been authorized at $31,257,000. The Committee recommends that the Air Force accomplish the fiscal year 1984 program within the $23,649,000 provided here. It would entertain a reprograming action to cover additional expenses beyond that amount that are fully justified with accompanying budget documentation.

Common strategic rotary launcher.—The Committee recommends an appropriation of $65,000,000 for the common strategic rotary launcher. This is $23,527,000 above the budget request and conforms to the authorization. The Department deleted procurement funding when it restructured the program and slipped the initial operational target. The additional R&D funding will prevent further cost and schedule slippage.

MX follow-on technology.—The Committee recommends a reduction of $20,000,000 for MX follow-on technology programs. These programs were recommended by the Scowcroft Commission and were submitted as part of the September budget amendment. The funding breakdown appears as follows:

[In thousands of dollars]

Program	Budget estimate	Authorization	House allowance	Committee recommendation
Small mobile ICBM	279,000	279,000	279,000	279,000
Silo hardening	210,000	210,000	.....	210,000
Hard mobile technology	75,000	75,000	75,000	75,000
Deep basing	40,000	40,000	.....	20,000
Total	604,000	604,000	354,000	584,000

The Committee fully supports development of a small ICBM. The development of this small, single warhead ICBM is part of a general redirection of U.S. strategic force policy, including deployment of 100 MX missiles in Minuteman silos and a revision in the U.S. strategic arms control posture to place greater emphasis on reducing warheads and missile payload as opposed to launchers.

The Committee, however, is dissatisfied with the budget documentation in support of both the small ICBM and the revised MX program. Detailed funding breakdowns for the four major MX follow-on technologies were not provided. All that the Air Force could tell the Committee was that the full budget request was required for program execution. The Committee expects more than technical charts and program milestones in support of this program. The Department is expected to submit a complete breakdown of development and acquisition cost estimates to accompany the fiscal year 1985 budget submission.

With respect to the overall small ICBM program, the Committee urges the Department of Defense to use competition to the greatest extent possible to constrain overall development and procurement costs. The Schriever Group, an independent advisory panel formed to recommend management approaches for the small ICBM, stressed competition to promote innovation and cost reduction in areas where substantial technology development is necessary, such as propulsion and the hard mobile launcher. Costs could also be held down by developing competitive alternative sources for subsystems and components. The prefull scale development program should also be competitive. Efforts to maintain more than one supplier for components and systems should be continued wherever possible during the full-scale development effort.

The Committee supports the overall recommendations of the Schriever Group and encourages the Department of Defense to adopt the management and acquisition strategy it outlined. The Committee believes these initiatives are totally consistent with maintenance of the 1992 initial operating capability and designation of the program as a matter of the highest national priority.

The Committee also supports the new emphasis on silo hardening and hard mobile ICBM technology. Recent blast tests on scale model silos have demonstrated that superhardening of ICBM silos to very high overpressures is technically feasible. The silo hardening program is approved at the authorized level, $210,000,000.

The Committee is unwilling to approve the full $40,000,000 budget request for deep basing without receiving positive indication from USDR&E and the Air Force that deep basing is being seriously considered for either the small ICBM or the MX. Without a signal of intent to deploy a secure strategic reserve ICBM force in deep basing, the Committee finds little justification for proceeding at the level of effort recommended by the administration.

The Committee recommends $20,000,000 and encourages the Department to submit a reprograming proposal if additional funds can be justified to continue deep basing R&D at the fiscal year 1983 level of effort.

Strategic conventional standoff capability.—The Committee recommends $10,000,000 for a new start, strategic conventional standoff capability. The program would permit concept validation of conventional standoff weapon compatibility, integration, and target sensor improvements for present and future strategic bombers. The near-term emphasis would be on integrating radar and OAS (offensive avionics system) hardware into a B–52 test bed aircraft, leading to a flight test program. The total estimated research and development cost of this program is $283,600,000. The Air Force is encouraged to continue to study conventional force applications for U.S. strategic bombers, and submit a reprograming proposal if additional funds are required for this purpose.

Air launched cruise missile.—The Committee recommends an addition of $11,000,000 for an updated version of the ALCM–B engine, which provides 22 percent more thrust.

Classified programs.—The Committee recommends an increase of $15,000,000 for certain classified strategic programs. An explanation for these increases is contained in the classified annex to the Committee report.

Authorization reductions.—The Committee has also recommended the following reductions in Air Force strategic programs in conformance with the authorization act:

[In thousands of dollars]

	Budget estimate	Committee recommendation
Adv strat msl sys	97,537	75,000
Adv warning sys	30,883	20,883
Tanker transpt bombr tng sys	1,533	
B-52 squadrons	86,892	78,892
Space surveillance tech	11,697	

TACTICAL PROGRAMS

The recommended program includes $2,281,639,000 for tactical programs. This activity provides for advanced, engineering, and operational systems development on all aspects of Air Force tactical warfare efforts. This includes developments to improve Air Force tactical capabilities in combat missions such as air superiority, interdiction, close air support to land combat forces, suppression of enemy air defenses, airlift, airborne early warning and control, communications, identification, navigation, and electronic warfare.

The Committee recommends the following changes in the budget estimate:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation
F-111 squadrons	84,358	84,358	70,000
F-15 squadrons	117,774	117,774	105,000
JVX	14,351	11,481	
Engine model derivative program	13,853	13,853	63,853
F-100 durability		35,000	34,000
Standoff attack weapon	16,373	8,373	
Surface defense suppression	1,916		10,289
Widearea antiarmor munition	52,159	22,159	35,000
DOD physical security eq-exter	17,955	17,955	15,120
Applications for info processing	7,860	7,860	6,360
JTIDS	49,334	49,334	37,957

F-111 squadrons.—The recommended reduction of $14,358,000 in the F-111 squadrons program brings the funding level for the program $10,000,000 below the fiscal year 1984 authorization.

The Air Force requested $51,700,000 within the F-111 squadrons program for a new avionics modernization program. The program was projected last year to start in the procurement account at a total of $14,000,000. Funds were transferred to RDT&E, and the fiscal year 1984 budget request was based on contractor estimates made in response to Air Force engineering change proposals.

The program will start engineering development work on the attack radar system, terrain following radar, and associated software. Because this program offers the potential for major improvements to F–111 aircraft, the Committee supports its initiation. However, a reduction is applied to constrain fiscal year 1984 efforts, prior to subsequent justification of all fiscal year 1984 and outyear costs. The Committee views this as a major new start ($1,000,000,000) which deserves close scrutiny and additional budget justification. The recommended funding level will still permit a healthy start in fiscal year 1984.

F–15 squadrons.—The Committee recommends a reduction of $12,774,000 to the F–15 squadrons program. The F–15 multinational staged improvement program (MSIP) and other avionics improvements are funded in this program line.

Budget projections for F–15 avionics integration appear to be developed on the assumption that F–15 force strength requested by the Air Force would be sustained. The Armed Services committees have already recommended the F–15 production be stabilized at 36 per year during the next few years, and it is unlikely that the Air Force will obtain its 44 tactical fighter wing goals. Given these restraints, the Committee sees no reason why F–15 MSIP and avionics funding should continue at the level projected by the Air Force. The Committee recommends holding this integration work to a lower level of effort, and advises the Air Force to revise its outyear F–15 squadrons program, as well as the procurement program.

Engine model derivative program.—An additional $50,000,000 is recommended to develop increased thrust for the existing F–100 and F–110 fighter engines. The Committee continues to believe that higher thrust will be a requirement in the development of improved fighter aircraft needed to offset improved performance of Soviet air superiority fighters. To insure that competition will be maintained in future engine programs, the Committee expects the funds will be obligated by the Air Force on a timely basis.

An additional $25,000,000 for the F–100 engine will permit additional work on an increased thrust version of the F–100 engine (1128). These funds will be used for additional research and development on a stall compressor, new aerodynamics, preliminary activity on a float-wall combustor, and flight testing.

An additional $25,000,000 for the F–110 engine will permit substantial new research, development, and testing. These funds will be used to buy two sets of F–110 hardware, initiate work on digital controls, and accomplish core engine testing.

F–100 durability.—The increase of $34,000,000 is a transfer of funding from the alternate fighter engine program to a new line, F–100 durability, in conformance to the authorization.

Programed improvements include development and qualification of the digital electronic engine control (DEEC) and the gear-type main fuel pump for the F–100 engine.

Surface defense suppression.—The Committee recommends $10,289,000 for the GBU–15 glide bomb program. The Air Force

notified the Committee on May 2, 1983, of its decision to discontinue the SAW development program and start instead a product improvement for the GBU-15 glide bomb.

The Air Force informed the Committee of its desire to fund GBU-15 product improvements (range extension and a powered unitary warhead) through the fiscal year 1984 SAW budget line. This was requested even though an R&D program line for the Air Force (64733F) already exists in fiscal year 1984.

The Committee has chosen to fund the GBU-15 product improvement in the correct line, surface defense suppression. It has zeroed the SAW program, which the Air Force states has been terminated. The Committee is critical of Air Force handling of this programmatic change. The Air Force changed the President's budget request with a letter from the Assistant Secretary for Research, Development, and Logistics, without seeking a budget amendment. The Committee objects to this procedure because this change in planning involved a program termination and a major new product improvement not formally requested in the budget.

Air Force information provided to the Committee indicates that the upgrades to the GBU-15 (range extension, bomblets dispenser) appear promising.

Wide area antiarmor munition (WAAM).—The Committee recommends an appropriation of $35,000,000 for the wide area antiarmor munition (WAAM) program. This action denies all funding for the WASP millimeter wave mini-missile system, and accepts additional funds authorized for the sensor fused weapon (SFW) and the extended range antiarmor munition (ERAM) project. The Committee supports the action of the authorization conference providing $29,100,000 for the SFW project.

DOD physical security equipment exterior.—The Committee recommends a reduction of $2,835,000 to the DOD physical security equipment-exterior program. The reduction should be applied against two new full-scale development items: the waterborne intrusion detection system and the transportable sensor/display system. These items were not projected last year as being fiscal year 1984 requirements. Should the Air Force desire to proceed with these programs as budgeted, it should submit a prior approval reprograming action.

Applications for information processing.—The Committee recommends a reduction of $1,500,000 to applications for information processing. This reduction will slow the rate of growth for a new project, the logistics information management support system. LIMSS is a long-term development program to provide a standard architecture and C^3 infrastructure for all logistics levels of operations. This is a continuing effort, and the Committee would like to see a long-term pilot program—more than 2 years—before the Air Force adopts the program for all of its bases.

Joint tactical information distribution system—The Committee recommends a reduction of $11,377,000 to the JTIDS program. The Air Force increased the fiscal year 1984 budget for JTIDS by this amount above last year's projection. These funds would be used to accelerate F-15 integration and TADIL J message standard development.

The Committee has not been given any valid justification for accelerating JTIDS beyond the level of effort projected last year. The Air Force appears to be rushing into JTIDS/time division multiple access (TDMA) development at a time when it should be reevaluating the entire requirement. Given the recent OSD decision to make enhanced JTIDS (formerly Have Clear) a secure, antijam voice system interoperable with the Navy's JTIDS/distributed time division multiple access (DTDMA), the Committee must question why the Air Force should accelerate JTIDS/TDMA, and why it could not choose voice alone for interoperability purposes.

The Committee defers further funding of separate Air Force class 2 terminal development, pending a report, to be provided no later than May 1, 1984, outlining the Air Force requirement for both JTIDS/TDMA and enhanced JTIDS. Given the higher priority of the antijam, secure voice enhanced JTIDS system, and the Air Force's preference for it over JTIDS/TDMA, the Committee cannot recommend fully funding the budget request at this time.

Authorization reductions.—The Committee recommends the following additional reductions in Air Force tactical programs in conformance with the authorization act:

[In thousands of dollars]

	Budget estimate	Committee recommendation
F-4G wild weasel squadrons	53,254	38,000
Tac A/B comd/cont sys	69,106	64,000
Adv comm sys	65,216	40,000
Jt. tac comm prog (TRI-TAC)	25,794	20,794
Adv tactical fighter	37,361	35,000
Alt fighter engine	132,059	98,059
Electronic W/F tech	24,736	20,736
EW counter response	34,508	29,508
A/C eng com imp prog	142,031	137,000
MRASM	21,901	
Combat helo modernization	66,587	36,587
Adv comm tech	5,024	4,024
JSTARS/pave Mover	4,026	
C3 cntrmsrs adv sys	1,902	1,000
A/C avionics eqpt devel	21,752	19,000
A/C eqpt devel	10,594	8,000
Night precision attack	89,892	59,892
JSTARS	90,534	41,534
Reconn eqpt	13,382	10,882
Combat ID sys	26,952	24,000
Intell eqpt	15,403	14,000
Fighter derivative	104,712	20,000

INTELLIGENCE AND COMMUNICATIONS

The recommended program includes $1,633,489,000 for intelligence and communications. This activity provides funding for advanced, engineering, and operational systems development efforts in Air Force intelligence and worldwide communications systems.

Classified programs.—The Committee recommends an addition of $93,700,000 to the intelligence and communications budget activity for

certain classified programs. The explanation for these increases can be found in the classified annex to the Committee report.

DEFENSEWIDE MISSION SUPPORT

The recommended program includes $1,629,293,000 for defensewide mission support. This budget activity funds Air Force installations and operations required for major system testing, test instrumentation development, technical information efforts, target development, and other research and development support.

The Committee recommends the following changes to the budget estimate, in accordance with the authorization:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation
Concept development	960	960	
Inventory control point operations	946	946	
PRAM program	14,472	14,472	12,773

Concept development.—The Committee recommends denial of the budget request for concept development, a new start. The program would establish a new concepts and initiatives program for the Air Force Systems Command. The Committee believes that such work should continue with the host, approved Air Force RDT&E program element, for the using commands.

Inventory control point operations.—The Committee has not approved $946,000 for the inventory control point operations program, another new start. The program would develop support capabilities for embedded computer systems—such as readiness support, networks, extendable integrated support facilities, standardization, and engineering practices. It is deferred without prejudice until fiscal year 1985. The Air Force did not fully justify the requirement for a fiscal year 1984 start for this program.

PRAM.—The Committee recommends a reduction of $1,699,000 to the product reliability/availability/maintainability program to slow an accelerated effort which had been planned to increase the participation of different Air Force agencies in the PRAM program. The recommended funding level will still permit a greater level of effort than was projected last year.

Authorization reductions.—The Committee had recommended the following reductions in Air Force defensewide mission support programs in conformance with the authorization act:

[In thousands of dollars]

	Budget estimate	Committee recommendation
Logistics tech for weap sys	10,057	5,000
Imp. CAP for DT&E	68,339	65,500
Prod imp	4,109	2,000
Acquisition and command spt	303,430	297,950
T&E supt	391,035	387,648

OTHER AIR FORCE ADJUSTMENTS

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation
Civilian pay raise			+12,100
General reduction			-40,000
Overhead transfer to O&M			-37,558

Civilian pay raise.—The $12,100,000 increase reflects the cost of a fiscal year 1984 civilian pay raise for Air Force civilian employees, funded in the RDT&E account.

General reduction.—The Committee recommends a $40,000,000 general reduction to Air Force RDT&E. The Air Force annually uses this account as a billpayer for mid-year reprogramings requiring transfer authority. The Committee disapproves of this practice and will begin denying such reprogramings if they continue with the frequency they have had in the past 2 years. The Air Force should submit within 90 days a list of all Air Force RDT&E program elements affected by this general reduction.

Overhead transfer to O&M.—The Committee recommends a reduction of $37,558,000 to execute a transfer of overhead funds to the "Operations and maintenance, Air Force" account.

ITEMS OF SPECIAL INTEREST, AIR FORCE

Fuel cell demonstration.—The Committee directs that $2,200,000 be allocated in fiscal year 1984 to the Aeronautical Systems Division to continue design, test, evaluation, and development of a remote site fuel cell powerplant in Alaska. The development program should address critical technology issues that limit military application of the fuel cell powerplant and it should make use of operational and design data from the 40 kilowatt field test presently underway. The 1984 allocation is to implement a program recommended by the Committee last year and is part of a 6-year demonstration effort expected to require nearly $7,000,000 in fiscal year 1985. Total program costs are estimated at more than $25,000,000 in the long term. The Committee will expect the Air Force to budget for program requirements in the future.

HH–60D helicopter program.—The Committee recommends an appropriation of $36,587,000 for the HH–60D helicopter program. This is the full amount authorized but $30,000,000 below the budget request. The $25,900,000 requested for advance procurement was not authorized.

As a result of the action taken by the authorizing committees, the Air Force has reassessed its overall requirements for HH–60D aircraft and has established a more modest and affordable program. Under the restructured program, the total planned buy of helicopters has been reduced from 243 to 155, lowering total program cost by more than $2,000,000,000. The revised program would include 69 aircraft having a full night/all-weather capability. The remaining 86 aircraft would have a less sophisticated navigation equipment, providing a more limited night capability. The Air Force maintains that the reduced force could be capable of meeting minimal operational requirements. The Committee fully supports the revised program.

The Air Force states that fiscal year 1984 research and development and procurement funds over and above the amount authorized may be required to implement the restructured program. Therefore, the Air Force is encouraged to submit reprograming proposals to provide the amounts needed.

Night precision attack program.—The Committee supports the actions taken by the authorization conference to continue those aspects of the LANTIRN development program necessary to evaluate the performance of the initial LANTIRN development pods. Funds appropriated should be used only for continuation of the ongoing development of LANTIRN, as agreed to by the authorization conference and described by the Air Force in its fiscal year 1984 budget summaries in support of the program.

The Committee encourages the Air Force to investigate cost containment measures for the LANTIRN program, including increased monthly pod production, changes in pod set quantity, and firm fixed price production options. The Committee opposed proposals to recompete LANTIRN development last year, and has supported efforts to keep the program on cost and schedule. The Committee expects the Air Force to proceed with the LANTIRN program as presented to Congress in fiscal year 1984 and to take every management initiative necessary to keep the program affordable and on time.

C–17 program.—The Committee has recommended an appropriation of $26,833,000 for the C–17 aircraft. This provides for all funding budgeted in fiscal year 1984.

Last year, the Committee took the unique action of recommending $200,000,000 for the development of the C–17. Following the DOD decision to reopen the C–5 production line, the Air Force had no coherent outyear program for the development of the C–17. Without fiscal year 1983 funding, the C–17 program would in all probability have been terminated. Final approval was given in conference for $60,000,000.

The Committee is supportive of the overall Air Force airlift program and believes that the outyear R&D funding profile for the C–17 should continue to support the plan to begin C–17 deliveries immediately after delivery of 50 C–5B's in fiscal year 1990. Out-year funding for this program should be given a high priority and not be allowed to slip.

The Committee understands the authorization conference has asked the Secretary of Defense to submit a selected acquisition report (SAR) to the Congress on the C–17 program. The Committee supports this action because SAR submission should help to identify firm inventory requirements and cost implications for the overall program. Aside from requiring 64 additional airlifters to meet outsize requirements, the Committee understands the Air Force wants to replace all C–141B's and C–130A's with the C–17. The possibility also exists to use the C–17 as an airborne command post for the Strategic Air Command. The C–17 program has the potential to be a 200-aircraft acquisition program, and should receive this scrutiny.

Advanced strategic missile systems.—The Committee recommends an appropriation of $75,000,000 for the advanced strategic missile systems program (ASMS). This is a reduction of $22,537,000, in conformance with the authorization.

The ASMS program is the only defense program providing advanced work on future offensive and defense strategic missile systems, subsystems, and concepts. Advanced work in such technology fields as penetration aids, maneuvering reentry vehicles, dormant guidance subsystems, defense suppression technologies and offensive/defensive threat analysis is done in the ASMS program. Because of the significance of maintaining a strong advanced technology base in this field, the Committee has staunchly supported the ASMS program.

Last year, in response to Air Force attempts to reprogram funds out of ASMS, the Committee directed that a report be submitted by April 1, 1983, outlining a 5-year spending projection for ASMS. The Air Force complied with direction and presented a baseline program which appeared more aggressive, and would have met the Committee's concerns.

However, the authorization conference reduced the ASMS program by more than $22,000,000 based on the failure of the Secretary of Defense to provide a report to the Armed Services Committees on the ASMS program. The Committee would consider a reprograming action to restore funding for the program to the budget level. Without additional funds in fiscal year 1984, serious delays could occur to many baseline ASMS projects of high value: MX penetration aids, high payoff penetration systems (MARV's, defense suppression weapons, offense/defense synergism efforts and nonnuclear reentry weapons evaluation.

JSTARS.—The Committee recommends a reduction of $49,000,000 to the joint surveillance and target attack radar system (JSTARS) program. This is the same reduction as made by the authorization conference.

Testimony given by the Under Secretary of Defense for Research and Engineering at the June 16 joint service programs hearing underscored the OSD position that the top JSTARS priority is designing and scaling a common JSTARS radar to fit both the Army OV–1D and Air Force TR–1 aircraft, to help meet the need for an early JSTARS initial operating capability.

The Committee is concerned that the Air Force program planning does not entirely support this direction and places too much emphasis on retaining the C–18 option as an alternative platform to the TR–1. The Air Force is planning to spend more funds on the C–18 test bed in fiscal year 1984 than on the TR–1 test bed, and has programed $37,000,000 over the next 4 years for the C–18 test bed. It is possible that the Air Force JSTARS program, as now structured, could force delays in Army/Air Force program planning and potentially delay a timely introduction of the JTACMS/JSTARS systems into the European theater of operations.

The Committee directs OSD to implement a fiscal year 1984 Army/Air Force JSTARS program which places priority emphasis on sizing the common JSTARS radar for the OV–1D and TR–1. The Committee supports the joint service aspect of this program, and encourages the Army and Air Force to implement outyear program planning which supports this objective.

Research, Development, Test, and Evaluation, Defense Agencies

1983 appropriation	$2,153,189,000
1984 budget estimate	2,890,900,000
House allowance	2,680,153,000
Committee recommendation	2,736,728,000

The Committee recommends an appropriation of $2,736,728,000 for research, development, test and evaluation programs of the Defense Agencies, a reduction of $154,172,000 to the budget request for fiscal year 1984.

SUMMARY TABLE

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Change from budget
Technology base	1,188,600	1,158,815	1,183,915	-4,685
Advanced technology development	2,000	2,000	2,000	
Strategic programs	65,300	65,300	65,300	
Intelligence and communications	1,608,800	1,389,621	1,445,880	-162,920
Defensewide mission support	69,200	116,241	89,557	+20,357
Revised economic assumptions	-43,000	-43,000	-43,000	
Civilian pay raise			1,900	+1,900
Consultants, studies, and analyses		-8,824	-8,824	-8,824

Programs and Activities

The budget activities and programs funded under this appropriation are discussed below. These activities and programs require annual authorization prior to appropriations pursuant to the provisions of section 412(b) of Public Law 86–149, as amended.

The Committee recommends the following changes to the Defense agencies budget estimate:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation
Defense research sciences	108,600	108,600	105,000
Strategic technology	207,900	220,500	220,500
Support to policy	4,858	2,429	4,000
DARPA/DOE 3d generation weapons			22,000
Tri-service national test range		25,000	25,000
Civilian pay raise			1,900

Defense research sciences.—The Committee recommends a reduction of $3,600,000 to defense research sciences. This reduction to DARPA's basic research program is consistent with previous Committee actions taken on this program for the military services. The DARPA basic research program will be allowed to progress at the rate of inflation for fiscal year 1984.

Strategic technology.—The Committee recommends an appropriation of $220,500,000 for the DARPA strategic technology program. The authorization provided $30,000,000 of additional funding for short wavelength technology programs. The Committee agrees to all $30,000,000 of this authorization increase, with at least $10,000,000 to be made available solely for the blue-green laser communications program. The $20,000,000 balance is the recommended increase for short wavelength laser technology.

DARPA/DOE third generation weapons.—The increase of $22,000,000 is for further development, test, and evaluation of third generation defensive weapons. This basic program is to be jointly funded by DARPA and the Department of Energy, and involves the application of nuclear explosive-energized X-ray lasers as a potential space defense system. Much of the generic conceptual research for this effort has been conducted by the Lawrence Livermore National Laboratory.

Support to policy.—The Committee recommends a reduction of $858,000 in support to policy. This is the studies and analysis project support line item for the Under Secretary of Defense, Policy. The Committee has reviewed the fiscal year 1984 budget request and believes that a general reduction can be applied to the program, thus holding real growth closer to the level of inflation, without serious damage to ongoing research supporting the USDP.

Tri-service national test range (DARPA).—The Committee recommends $25,000,000 for a new program, tri-service national test range, created by the authorization conference after termination of the Navy mid-infrared chemical laser (MIRACL) program. The authorization conference terminated MIRACL and denied the $67,902,000 budget request, but directed that the White Sands, N. Mex., facility previously supporting that Navy program be converted into a tri-service test range to continue analysis of directed energy vulnerability and lethality development work. The Committee supports these actions.

Civilian pay raise.—The Committee recommends an increase of $1,900,000 for the cost of implementing a civilian pay raise for RDT&E, defense agencies.

Authorization reductions.—The Committee has also recommended the following reductions in Defense Agencies programs, in accordance with the authorization act:

[In thousands of dollars]

	Budget estimate	Committee recommendation
Tactical technology	120,800	100,800
Exp eval maj innov tech	290,000	276,315
Materials processing tech	25,700	23,700
Genl spt for PA&E	3,185	2,000
Defense Logistics Ag (DLA)		-2,600
Intelligence and communications programs	1,608,800	1,445,880

ITEMS OF SPECIAL INTEREST, DEFENSE AGENCIES

Technology transfer functions.—The Committee supports the budget request of $2,200,000 for technology transfer functions. This program is designed to strengthen the role of the Department of Defense in monitoring the transfer of sensitive military technology to Warsaw Pact nations. The expansion of DOD work in this area requires increased staffing and automation of facilities so that the increased workload can be met. The Committee believes that the maintenance of the U.S. leadtime advantage in military critical technologies over the Soviet Union is a key element of our defense strategy, and also believes the $2,200,000 investment will more than adequately pay for itself if the volume of military critical technology transfers can be decreased by Western nations.

DIRECTOR OF TEST AND EVALUATION, DEFENSE

1983 appropriation	$55,000,000
1984 budget estimate	55,800,000
House allowance	49,000,000
Committee recommendation	49,000,000

The recommended program includes $49,000,000 for the activities of the Office of the Director of Test and Evaluation, Defense.

Committee reductions.—The Committee has recommended the following reductions in director of test and evaluation, defense programs, in accordance with authorization ceilings:

[In thousands of dollars]

Program	Budget estimate	House allowance	Committee recommendation	Change from budget
Test and evaluation	45,000	45,000	38,200	-6,800
General reduction		-6,800		
Revised economic assumptions	-1,000	-1,000	-1,000	

TITLE VI

Special Foreign Currency Program

1983 appropriation	$3,800,000
1984 budget estimate	3,050,000
House allowance	3,050,000
Committee recommendation	3,050,000

The new obligational authority recommended conforms to the budget and House allowance.

The special foreign currency appropriation provides dollars to be used exclusively for the purchase from the Treasury of excess foreign currencies which are used in the financing of programs of benefit to the Department of Defense. Such expenditures are authorized by 80 Stat. 990.

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TITLE VII

GENERAL PROVISIONS

In addition to provisions discussed elsewhere in the report, the Committee recommends the following changes in the general provisions under title VII of the accompanying bill:

Secure communications.—The Committee recommends concurrence in the budget estimate and the House action which raises the amount that may be available for secure telephone equipment to $60,000,000 and permits reimbursement from Government agencies.

Conversion from coal.—The Committee agrees with the House and recommends denial of a request from the Department of Defense to permit conversion of heating plants from coal to oil.

Specialty metals.—The Committee recommends denial of the budget request to exempt hand or measuring tools from the Buy American requirement. Exemptions based on the need to comply with NATO interoperability and standardization agreements, however, are recommended. The Department's request to delete the Maybank proviso and the Defense Logistics Agency test program from the Buy American requirement is denied. These recommendations agree with those of the House.

As noted, the Committee has retained language in the bill which mandates that specialty metals be procured from domestic sources with certain limited exceptions. The domestic procurement requirement may be waived only for the purpose of offsetting sales made by the U.S. Government or firms under approved programs serving defense requirements or in order to achieve NATO standardization and interoperability objectives.

However, the Committee is concerned that the waiver provision, which is a continuation of current law, may not have always been implemented in the strictest fashion. A report by the General Accounting Office of August 30, 1983, indicated the administration has not been able to specifically identify and justify the exceptions it has granted to the specialty metals domestic procurement requirement. That is, the use of the waiver provision to comply with offset agreements or NATO standardization and interoperability objectives could not be determined by GAO.

The apparent indeterminability of enforcement of congressional intent regarding the restrictions on specialty metals imports is of concern to the Committee. In order to document the nature of the flow of specialty metals into the United States, the Secretary of Defense is directed to prepare a final report to the Congress by November 1, 1984, and an interim report by April 1, 1984. The report shall detail each procure-

ment in which the United States has purchased supplies of specialty metals from foreign sources starting from the date of enactment of this act. The report shall state the product purchased, the dollar value of the purchase, the foreign source of the specialty metals contained in the product, and the reason the procurement was made from a foreign source.

Legislative affairs.—The Committee concurs in the House limitation of $9,500,000 rather than the budget request of $10,000,000 for legislative affairs.

Transfer authority.—The Committee recommends concurrence in House retention of language which restricts appropriation transfers to those appropriated by this act. The budget request would have permitted the transfer of prior year unobligated balances.

Public affairs activities.—The Committee recommends agreement with the House provision to raise the annual spending limitation on public affairs to $34,200,000 instead of $35,500,000 as requested by the Department.

CIA headquarters building.—The Committee recommends a 5-year expiration on construction funds, as proposed by the House, but recommends against the House change of reserve for contingencies to contingency reprograming fund. This is explained in the classified annex to the bill.

Insignia.—The Committee recommends retaining the requirement that the Department charge a fair market price for insignia purchased for resale, in agreement with the House.

Medical care reimbursement.—The Committee recommends agreement with the House in requiring that foreign military and diplomatic personnel reimburse DOD for medical services obtained through DOD. The budget proposed deleting this provision.

Equipment transfer.—The Committee recommends concurrence with the House to retain the requirement that DOD service secretaries approve equipment transfers to foreign countries. It recommends, also, that the change to the technical data package language requested by the budget be denied. It further recommends against the House prohibition on the sale of the AN/SQR-19 towed array sonar to a foreign country.

Advanced technology bomber (ATB).—The House retains language directing the Department to continue priority emphasis on the ATB program. The Committee recommends concurrence.

Coal and coke from foreign sources.—The Committee recommends concurring with the House and retaining language prohibiting DOD from using foreign sources of coal and coke overseas.

Executive schedule positions.—The House adopted a limitation of 37 on the number of executive level positions in the Department of Defense. The Committee also recommends a limitation of 37, permitting the addition of a new Assistant Secretary for Reserve Affairs and five other assistant secretaries.

Covert actions.—The Committee recommends deletion of House language terminating all U.S. support for military or paramilitary actions in Nicaragua if not authorized or if authorizing legislation is not enacted by April 1, 1984.

Indian labor.—The Committee recommends retaining language which allows the Department to use Indian labor so far as may be practicable. The budget request and the House action deleted this language.

Termination liabilities.—The Committee recommends retaining, in agreement with the House, language prohibiting the Department from entering into a contract that imposes an estimated termination liability exceeding 50 percent of the purchase value unless specific appropriation authority has been provided in advance.

Small business.—The Committee recommends concurrence with House language prohibiting the use of funds to carry out the requirement that in order to submit a bid to the Department a small business must demonstrate that its product is accepted in the commercial market.

Fort De Russy.—The Committee recommends concurrence with House language prohibiting funds for the sale, lease, or rental of land at Fort De Russy, Hawaii.

Physician and dentist pay.—The Committee recommends deleting House language that prohibits any special pay to physicians or dentists who occupy administrative or managerial positions.

Special classified program.—The Committee recommends concurrence with the House to deny the budget request that $220,000,000 be made available from within the funds appropriated in this bill for a classified program, as authorized by section 106 of Public Law 98–94, the Department of Defense Authorization Act, 1984.

Commissaries.—The Committee recommends deleting House language limiting to 247 the number of commissaries in the contiguous United States which operate with funds made available by this act.

DC–10's.—The Committee recommends adoption of House language which permits the Export-Import Bank to transfer five DC–10 aircraft and spare parts to the Air Force. However, a House provision allocating the aircraft to the Air National Guard has been deleted. The Committee believes the Air Force needs the option of developing mission requirements and assignment of these aircraft. Currently, there is no established mission with the Air National Guard.

The Committee will object to this transfer if it involves any obligation or transfer of appropriations not specifically approved by Congress for that purpose. The Committee wishes to be notified by a joint DOD/Export-Import Bank letter of any aircraft transfer, including details of the intended use and assignment of the aircraft.

Contract prices.—The Committee recommends an 18-month limitation on the time during which appropriated funds can be used for the adjustment of contract prices. This recommendation is based on findings of a recent GAO report on proposed contracting reforms.

Animals for medical training.—The Committee recommends language prohibiting the use of dogs and cats for the purpose of training DOD students or other personnel in surgical or other medical treatment of wounds produced by any type of weapon. It also requires that treatment of laboratory animals for such training shall adhere to standards of the Federal animal welfare law and to those prevailing in the civilian medical community. The House language prohibits the use of all animals in this type of medical training.

Studies and analyses contracts.—The Committee recommends language exempting certain studies and analyses contracts from recently enacted procurement requirements. The House bill contains no similar language. The Committee understands the recent changes in law regarding defense contracting procedures for procurement of equipment and supplies may apply to federally established nonprofit corporations operating Federal contract research centers (FCRC). The Committee is concerned that the changes might disrupt the conduct of these low volume but important research efforts and has recommended a provision designed to avoid any such problems. It permits the Department, at the discretion of the Secretary of Defense, to continue contracting procedures in effect on June 1, 1983, for these nonprofit corporations, such as the Rand Corp. For fiscal year 1985 and beyond, the Committee suggests that the Department consider reinstatement of FCRC arrangements to insure that these particular research capabilities are available as needed.

Department of Defense dependent schools.—The Committee recommends against the House language prohibiting the transfer of dependent schools to the Department of Education.

Aircraft power supply cable assemblies.—The Committee recommends against the House direction that no more than 50 percent of the fiscal year requirements for cable assemblies be purchased with appropriated funds.

Military recreation site.—The Committee recommends a new general provision transferring a military recreation site from Federal ownership to the city of Fairbanks, Alaska. The site was conveyed to the U.S. Government in 1942 for $1 by the then town of Fairbanks. It is being reconveyed to the city of Fairbanks, since the site is no longer needed for military recreation. The current USO facility on the site dates back to World War II, is in disrepair, and needs replacement. The city of Fairbanks has agreed to provide a new facility for the use of the USO at a site more convenient to military personnel.

Warranties.—The Committee recommends a new general provision requiring warranties on weapon systems purchased by the Department of Defense. This provision is discussed at length in the general summaries at the beginning of the report.

Architectural and engineering services.—The Committee recommends a new general provision which restricts the obligation of appropriated funds for architectural and engineering services and construction design contracts above $85,000 unless there is open competition under provisions of the Brooks Act (40 U.S.C. section 541, *et seq.*)

Currently DOD sets aside virtually all of its A&E contracts for small business if it finds there are two or more small A&E firms capable of fulfilling the contract satisfactorily. However, the definition of small A&E firms includes firms with up to $7,500,000 in annual billings. As a result, all but 200 of the nearly 30,000 A&E firms qualify as small firms. This does nothing to help the truly small and disadvantaged A&E firms. Moreover, it precludes those 200 large firms from competing for most A&E contracts.

The purpose of this amendment is to reserve for small businesses those contracts of $85,000 or less, but allow all firms, regardless of size, to compete for contracts above $85,000. Revised regulations recently issued by the Department have clarified the definition of small business and would be consistent with this language. The Department has indicated that last year the average size for such A&E contracts was $40,000 and that the average sized A&E firms have 10 to 12 employees. The Committee intends that DOD will, to the maximum extent possible, insure that A&E contracts under $85,000 go to these truly small A&E firms.

Aircraft ejection seats.—The Committee recommends a new general provision prohibiting funds to procure aircraft ejection seats manufactured in any foreign nation that does not permit U.S. manufacturers to compete for ejection seat procurement in that foreign nation.

Labor surplus contracting.—The Committee recommends a new general provision permitting a test program to authorize price differentials to relieve economic dislocations, consistent with existing legislation. This is discussed in the opening summary of the report.

Transfer of McNeil Island property.—The Committee has included a provision in the bill to transfer ownership of the McNeil Island Federal Penitentiary complex to the State of Washington. An expression of legislative intent is necessary because the existing leasing agreement expires on October 31. This action conforms with the administration's policy that these conveyances should take place.

TITLE VIII

RELATED AGENCIES

Intelligence Community Staff

1983 appropriation	$15,856,000
1984 budget estimate	(1)
House allowance	17,083,000
Committee recommendation	18,440,000

[1] The fiscal year 1984 budget request for the intelligence community staff was included in another appropriation account. The Committee recommends the transfer of this funding from that appropriation account to this title.

The Committee recommends an appropriation of $18,440,000. This is $293,000 below the budget estimate and $1,357,000 above the House recommendation. Details of this reduction are contained in the classified annex to this report.

Payment to the Central Intelligence Agency Retirement and Disability System Fund

1983 appropriation	$91,300,000
1984 budget estimate	86,300,000
House allowance	86,300,000
Committee recommendation	86,300,000

The Committee recommends appropriation of $86,300,000 for the payment to the Central Intelligence Agency retirement and disability system fund appropriation. The Committee recommendation concurs with the budget estimate and is a decrease of $5,000,000 from the fiscal year 1983 appropriation.

The Central Intelligence Agency Retirement Act of 1964 for Certain Employees (Public Law 88–643, October 3, 1964) authorized the establishment of a Central Intelligence Agency retirement and disability system for a limited number of Agency employees and authorized the establishment and maintenance of a fund from which benefits would be paid to qualified beneficiaries. The fund finances the cost of: (1) interest on the unfunded liability, (2) annuities attributable to credit allowed for military services, (3) benefits not met by employee/employer contributions, and (4) the increase in unfunded liability resulting from liberalized benefits and Federal pay raises.

The benefits structure of this fund is similar to that of the civil service retirement system.

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COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1983 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1984

[Amounts in dollars]

Item	1983 Appropriation	Budget estimate	House allowance	Committee recommendation	Senate committee recommendation compared with (+ or −)		
					1983 Appropriation	Budget estimate	House allowance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
TITLE I - MILITARY PERSONNEL							
Military personnel, Army	14,454,848,000	15,237,800,000	15,074,758,000	15,401,626,000	+946,778,000	+163,826,000	+326,868,000
Military personnel, Navy	10,537,408,000	11,309,800,000	11,181,477,000	11,447,097,000	+909,689,000	+137,297,000	+265,620,000
Military personnel, Marine Corps	3,293,277,000	3,467,300,000	3,447,324,000	3,515,159,000	+221,882,000	+47,859,000	+67,835,000
Military personnel, Air Force	12,099,850,000	12,779,000,000	12,603,391,000	12,902,253,000	+802,403,000	+123,253,000	+298,862,000
Reserve personnel, Army	1,247,250,000	1,388,300,000	1,346,850,000	1,426,600,000	+179,350,000	+38,300,000	+79,750,000
Reserve personnel, Navy	657,125,000	744,000,000	739,800,000	758,600,000	+101,475,000	+14,600,000	+18,800,000
Reserve personnel, Marine Corps	170,900,000	177,400,000	176,200,000	180,100,000	+9,200,000	+2,700,000	+3,900,000
Reserve personnel, Air Force	358,925,000	383,600,000	380,000,000	389,400,000	+30,475,000	+5,800,000	+9,400,000
National Guard personnel, Army	1,698,800,000	1,917,100,000	1,857,950,000	1,977,600,000	+278,800,000	+60,500,000	+119,650,000
National Guard personnel, Air Force	548,425,000	593,500,000	589,100,000	604,400,000	+55,975,000	+10,900,000	+15,300,000
Total, title I, new budget (obligational) authority, Military personnel	45,066,808,000	47,997,800,000	47,396,850,000	48,602,835,000	+3,536,027,000	+605,035,000	+1,205,985,000
TITLE II - RETIRED MILITARY PERSONNEL							
Retired pay, Defense	16,154,800,000	16,772,800,000	16,592,600,000	16,592,600,000	+437,800,000	-180,200,000	---
TITLE III - OPERATION AND MAINTENANCE							
Operation and maintenance, Army	15,853,615,000	17,655,800,000	16,737,284,000	17,334,571,000	+1,480,956,000	-321,229,000	+597,287,000
Army stock fund	221,138,000	408,600,000	379,400,000	408,600,000	+187,462,000	---	+29,200,000
Army industrial fund	---	---	99,400,000	---	---	---	-99,400,000

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Operation and maintenance, Navy	21,079,712,000	22,601,600,000	21,344,474,000	22,266,908,000	+1,187,196,000	-334,692,000	+922,434,000
(Liquidation of contract authority)	(25,000,000)	---	---	---	(-25,000,000)	---	---
Navy stock fund	354,372,000	682,869,000	634,069,000	632,869,000	+278,497,000	-50,000,000	-1,200,000
Navy industrial fund	---	---	181,900,000	---	---	---	-181,900,000
Operation and maintenance, Marine Corps	1,481,671,000	1,554,900,000	1,506,650,000	1,547,050,000	+65,379,000	-7,850,000	+40,400,000
Marine Corps stock fund	11,812,000	22,280,000	20,780,000	22,280,000	+10,468,000	---	+1,500,000
Marine Corps industial fund	---	---	2,300,000	---	---	---	-2,300,000
Operation and maintenance, Air Force	16,916,076,000	18,250,100,000	17,057,746,000	17,871,056,000	+954,980,000	-379,044,000	+813,310,000
Air Force stock fund	161,600,000	1,638,325,000	1,241,225,000	1,353,325,000	+1,191,725,000	-285,000,000	+112,100,000
Air Force industrial fund	---	---	80,600,000	---	---	---	-80,600,000
Operation and maintenance, Defense agencies	5,715,778,000	6,818,900,000	6,501,838,000	6,584,744,000	+868,966,000	-234,156,000	+82,906,000
Defense stock fund	160,500,000	47,000,000	43,600,000	47,000,000	-113,500,000	---	+3,400,000
Defense industrial fund	---	---	150,300,000	---	---	---	-150,300,000
Operation and maintenance, Army Reserve	705,584,000	654,800,000	687,630,000	677,100,000	-28,484,000	+22,300,000	-10,530,000
Operation and maintenance, Navy Reserve	637,507,000	662,000,000	658,360,000	639,500,000	+1,993,000	-22,500,000	-18,860,000
Operation and maintenance, Marine Corps Reserve	51,094,000	52,629,000	51,989,000	52,879,000	+1,785,000	+250,000	+890,000
Operation and maintenance, Air Force Reserve	765,735,000	787,000,000	773,800,000	790,900,000	+25,165,000	+3,900,000	+17,100,000
Operation and maintenance, Army National Guard	1,195,067,000	1,118,000,000	1,176,700,000	1,169,800,000	-25,767,000	+51,800,000	-6,900,000
Operation and maintenance, Air National Guard	1,822,603,000	1,740,700,000	1,768,650,000	1,807,300,000	-15,303,000	+66,600,000	+38,650,000
National Board for the Promotion of Rifle Practice, Army	875,000	899,000	899,000	899,000	+24,000	---	---
Claims, Defense	147,500,000	222,900,000	160,400,000	172,900,000	+25,400,000	-50,000,000	+12,500,000
Court of Military Appeals, Defense	3,271,000	3,372,000	3,372,000	3,372,000	+101,000	---	---
Summer olympics	---	50,000,000	50,000,000	45,000,000	+45,000,000	-5,000,000	-5,000,000
Environmental Restoration fund, Defense	---	---	---	300,000,000	+300,000,000	+300,000,000	+300,000,000
Total, title III, Operation and maintenance:							
New budget (obligational) authority	67,285,510,000	74,977,674,000	71,313,366,000	73,728,053,000	+6,442,543,000	-1,244,621,000	+2,414,687,000
(Liquidation of contract authority)	(25,000,000)	---	---	---	(-25,000,000)	---	---
TITLE IV - PROCUREMENT							
Aircraft procurement, Army	2,506,572,000	3,441,100,000	3,116,748,000	3,255,530,000	+748,958,000	-185,570,000	+138,782,000
(Transfer from other accounts)	---	---	(22,500,000)	---	---	---	(-22,500,000)
Missile procurement, Army	2,740,600,000	3,060,500,000	2,807,702,000	2,857,500,000	+116,900,000	-203,000,000	+49,798,000
(Transfer from other accounts)	---	---	(37,300,000)	(32,600,000)	(+32,600,000)	(+32,600,000)	(-4,700,000)

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COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1983 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1984—Continued

[Amounts in dollars]

Item	1983 Appropriation	Budget estimate	House allowance	Committee recommendation	Senate committee recommendation compared with (+ or −)		
					1983 Appropriation	Budget estimate	House allowance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Procurement of weapons and tracked combat vehicles, Army	4,551,946,000	4,890,416,000	4,542,196,000	4,598,244,000	+46,298,000	-292,172,000	+56,048,000
(Transfer from other accounts)	(198,200,000)	---	(83,800,000)	(111,600,000)	(-86,600,000)	(+111,600,000)	(+27,800,000)
Procurement of ammunition, Army	2,122,394,000	2,311,189,000	1,965,989,000	1,943,500,000	-178,894,000	-367,689,000	-22,489,000
Other procurement, Army	4,128,364,000	5,267,877,000	4,604,616,000	4,753,077,000	+624,713,000	-514,800,000	+148,461,000
Aircraft procurement, Navy	10,416,107,000	11,028,300,000	9,994,245,000	10,321,701,000	-94,406,000	-706,599,000	+327,456,000
(Transfer from other accounts)	---	---	---	(22,100,000)	(+22,100,000)	(+22,100,000)	(+22,100,000)
Weapons procurement, Navy	3,561,700,000	3,992,600,000	3,767,832,000	3,764,900,000	+203,200,000	-227,700,000	-2,932,000
(Transfer from other accounts)	---	---	---	(73,200,000)	(+73,200,000)	(+73,200,000)	(+73,200,000)
Shipbuilding and conversion, Navy	16,076,700,000	12,585,800,000	10,913,650,000	11,184,200,000	-4,892,500,000	-1,401,600,000	+270,550,000
Reappropriation	176,200,000	---	---	---	-176,200,000	---	---
(Transfer from other accounts)	(35,000,000)	---	(218,000,000)	(227,600,000)	(+192,600,000)	(+227,600,000)	(+9,600,000)
Other procurement, Navy	3,727,075,000	4,887,501,000	4,295,412,000	4,393,705,000	+666,630,000	-493,796,000	+98,293,000
Procurement, Marine Corps	2,008,083,000	1,835,049,000	1,694,793,000	1,748,461,000	-259,622,000	-86,588,000	+53,668,000
Aircraft procurement, Air Force	17,658,500,000	22,506,190,000	21,040,610,000	21,100,400,000	+3,441,900,000	-1,405,790,000	+59,790,000
(Transfer from other accounts)	(170,000,000)	---	(348,000,000)	(317,000,000)	(+147,000,000)	(+317,000,000)	(-31,000,000)
Missile procurement, Air Force	4,941,100,000	8,059,130,000	7,787,112,000	7,553,417,000	+2,612,317,000	-505,713,000	-233,695,000
(Transfer from other accounts)	(15,000,000)	---	---	(55,000,000)	(+40,000,000)	(+55,000,000)	(+55,000,000)
Other procurement, Air Force	5,566,987,000	7,465,212,000	6,793,265,000	6,982,231,000	+1,415,244,000	-482,981,000	+188,966,000
(Transfer from other accounts)	(4,963,000)	---	---	---	(-4,963,000)	---	---
National Guard and Reserve Equipment	125,000,000	---	125,000,000	176,000,000	+51,000,000	+176,000,000	+51,000,000
Procurement, Defense agencies	828,145,000	1,063,791,000	942,657,000	957,646,000	+129,501,000	-106,145,000	+14,989,000
Defense Production Act Purchases	---	200,000,000	50,000,000	---	---	-200,000,000	-50,000,000
General reduction	-386,000,000	---	---	---	+386,000,000	---	---

Acquisition & Construction, Coast Guard.....	---	---	---	300,000,000	+300,000,000	+300,000,000	+300,000,000
Total, title IV, Procurement:							
New budget (obligational) authority.....	80,749,473,000	92,594,655,000	84,441,827,000	85,890,512,000	+5,141,039,000	-6,704,143,000	+1,448,685,000
(Transfer from other accounts).....	(423,163,000)	---	(709,600,000)	(839,100,000)	(+415,937,000)	(+839,100,000)	(+129,500,000)
TITLE V - RESEARCH, DEVELOPMENT, TEST, AND EVALUATION							
Research, development, test, and evaluation, Army.....	3,879,683,000	4,711,200,000	4,141,624,000	4,169,939,000	+290,256,000	-541,261,000	+28,315,000
Research, development, test, and evaluation, Navy.....	5,967,251,000	8,059,743,000	7,473,937,000	7,487,554,000	+1,520,303,000	-572,189,000	+13,617,000
Research, development, test, and evaluation, Air Force	10,650,661,000	12,781,197,000	12,121,001,000	12,323,026,000	+1,672,365,000	-458,171,000	+202,025,000
Research, development, test, and evaluation, Defense agencies.....	2,153,189,000	2,890,900,000	2,680,153,000	2,736,728,000	+583,539,000	-154,172,000	+56,575,000
Director of Test and Evaluation, Defense.....	55,000,000	55,800,000	49,000,000	49,000,000	-6,000,000	-6,800,000	---
Total, title V, new budget (obligational) authority, Research, development, test, and evaluation.....	22,705,784,000	28,498,840,000	26,465,715,000	26,766,247,000	+4,060,463,000	-1,732,593,000	+300,532,000
TITLE VI - SPECIAL FOREIGN CURRENCY PROGRAM							
Special foreign currency program.....	3,800,000	3,050,000	3,050,000	3,050,000	-750,000	---	---
TITLE VII - GENERAL PROVISIONS							
(Additional transfer authority, sec. 730).....	(1,700,000,000)	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)	(-500,000,000)	---	---
TITLE VIII - RELATED AGENCIES							
Intelligence Community Staff.....	15,856,000	---	17,083,000	18,440,000	+2,584,000	+18,440,000	+1,357,000
CIA Retirement and Disability System Fund.....	91,300,000	86,300,000	86,300,000	86,300,000	-5,000,000	---	---
Total, title VIII, new budget (obligational) authority, Related agencies.....	107,156,000	86,300,000	103,383,000	104,740,000	-2,416,000	+18,440,000	+1,357,000

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COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1983 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1984—Continued

[Amounts in dollars]

Item	1983 Appropriation	Budget estimate	House allowance	Committee recommendation	Senate committee recommendation compared with (+ or −)		
					1983 Appropriation	Budget estimate	House allowance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
RECAPITULATION							
Title I - Military personnel	45,066,808,000	47,997,800,000	47,396,850,000	48,602,835,000	+3,536,027,000	+605,035,000	+1,205,985,000
Title II - Retired military personnel	16,154,800,000	16,772,800,000	16,592,600,000	16,592,600,000	+437,800,000	-180,200,000	---
Title III - Operation and maintenance	67,285,510,000	74,972,674,000	71,313,366,000	73,728,053,000	+6,442,543,000	-1,244,621,000	+2,414,687,000
(Liquidation of contract authority)	(25,000,000)	---	---	---	(-25,000,000)	---	---
Title IV - Procurement	80,749,473,000	92,594,655,000	84,441,827,000	85,890,512,000	+5,141,039,000	-6,704,143,000	+1,448,685,000
(Transfer from other accounts)	(423,163,000)	---	(709,600,000)	(839,100,000)	(+415,937,000)	(+839,100,000)	(+129,500,000)
Title V - Research, development, test, and evaluation	22,705,784,000	28,498,840,000	26,465,715,000	26,766,247,000	+4,060,463,000	-1,732,593,000	+300,532,000
Title VI - Special foreign currency program	3,800,000	3,050,000	3,050,000	3,050,000	-750,000	---	---
Title VII - General provisions (additional transfer authority, sec. 730)	(1,700,000,000)	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)	(-500,000,000)	---	---
Title VIII - Related agencies	107,156,000	86,300,000	103,383,000	104,740,000	-2,416,000	+18,440,000	+1,357,000
Total, Department of Defense (NOA)	232,073,331,000	260,926,119,000	246,316,791,000	251,688,037,000	+19,614,706,000	-9,238,082,000	+5,371,246,000
(Transfer from other accounts)	(423,163,000)	---	(709,600,000)	(839,100,000)	(+415,937,000)	(+839,100,000)	(+129,500,000)
Total fundins available	232,496,494,000	260,926,119,000	247,026,391,000	252,527,137,000	+20,030,643,000	-8,398,982,000	+5,500,746,000
(Transfer authority)	(1,700,000,000)	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)	(-500,000,000)	---	---
(Liquidation of contract authority)	(25,000,000)	---	---	---	(-25,000,000)	---	---
Distribution by organizational component:							
Army	55,306,736,000	62,063,581,000	58,539,746,000	59,974,586,000	+4,667,850,000	-2,088,995,000	+1,434,840,000
(Transfer from other accounts)	(198,200,000)	---	(143,600,000)	(144,200,000)	(-54,000,000)	(+144,200,000)	(+600,000)
Navy	80,207,994,000	83,663,771,000	78,085,192,000	79,962,963,000	-245,031,000	-3,700,808,000	+1,877,771,000
(Transfer from other accounts)	(35,000,000)	---	(218,000,000)	(227,600,000)	(+192,600,000)	(+227,600,000)	(+9,600,000)

Air Force	71,490,462,000	86,983,954,000	82,236,500,000	83,677,708,000	+12,187,246,000	-3,306,246,000	+1,441,208,000
(Transfer from other accounts)	(189,963,000)	---	(348,000,000)	(372,000,000)	(+182,037,000)	(+372,000,000)	(+24,000,000)
Defense agencies/OSD	9,067,183,000	11,355,713,000	10,634,370,000	10,599,440,000	+1,532,257,000	-756,273,000	-34,930,000
Reserve & National Guard (procurement)	125,000,000	---	125,000,000	176,000,000	+51,000,000	+176,000,000	+51,000,000
Retired military personnel	16,154,800,000	16,772,800,000	16,592,600,000	16,592,600,000	+437,800,000	-180,200,000	---
Related agencies	107,156,000	86,300,000	103,383,000	104,740,000	-2,416,000	+18,440,000	+1,357,000
General reduction	-386,000,000	---	---	---	+386,000,000	---	---
Total, Department of Defense (NOA)	232,073,331,000	260,926,119,000	246,316,791,000	251,688,037,000	+19,614,706,000	-9,238,082,000	+5,371,246,000
(Transfer from other accounts)	(423,163,000)	---	(709,600,000)	(839,100,000)	(+415,937,000)	(+839,100,000)	(+129,500,000)
Total funding available	232,496,494,000	260,926,119,000	247,026,391,000	252,527,137,000	+20,030,643,000	-8,398,982,000	+5,500,746,000
(Transfer authority)	(1,700,000,000)	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)	(-500,000,000)	---	---
(Liquidation of contract authority)	(25,000,000)	---	---	---	(-25,000,000)	---	---

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